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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2021

OR

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

For the Transition Period From to
Commission File Number 1-15525

EDWARDS LIFESCIENCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**36-4316614**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Edwards Way	**Irvine**	**California**	**92614**
(Address of Principal Executive Offices)			(Zip Code)

(949) 250-2500
Registrant's telephone number, including area code

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered:**
Common Stock, par value $1.00 per share	EW	New York Stock Exchange

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

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

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

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

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

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

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

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

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

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

The aggregate market value of the registrant's common stock held by non-affiliates as of June 30, 2021 (the last trading day of the registrant's most recently completed second quarter): $64,028,235,982 based on the closing price of the registrant's common stock on the New York Stock Exchange. This calculation does not reflect a determination that persons are affiliates for any other purpose.

The number of shares outstanding of the registrant's common stock, $1.00 par value, as of January 31, 2022, was 623,207,437.

Documents Incorporated by Reference

Portions of the registrant's proxy statement for the 2022 Annual Meeting of Stockholders (to be filed within 120 days of December 31, 2021) are incorporated by reference into Part III, as indicated herein.

EDWARDS LIFESCIENCES CORPORATION
Form 10-K Annual Report—2021
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PART I

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains 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. We intend the forward-looking statements contained in this report to be covered by the safe harbor provisions of such Acts. Some statements other than statements of historical fact in this report or referred to or incorporated by reference into this report are "forward-looking statements" for purposes of these sections. These statements include, among other things, the continued impact of COVID-19 on our business, any predictions, opinions, expectations, plans, strategies, objectives and any statements of assumptions underlying any of the foregoing relating to our current and future business and operations, including, but not limited to, financial matters, development activities, clinical trials and regulatory matters, manufacturing and supply operations, and product sales and demand. These statements can sometimes be identified by the use of the forward-looking words such as "may," "believe," "will," "expect," "project," "estimate," "should," "anticipate," "plan," "goal," "continue," "seek," "pro forma," "forecast," "intend," "guidance," "optimistic," "aspire," "confident," other forms of these words or similar words or expressions or the negative thereof. Statements of past performance, efforts, or results about which inferences or assumptions may be made can also be forward-looking statements and are not indicative of future performance or results; these statements can be identified by the use of words such as "preliminary," "initial," diligence," "industry-leading," "compliant," "indications," or "early feedback" or other forms of these words or similar words or expressions or the negative thereof. These forward-looking statements are subject to substantial risks and uncertainties that could cause our results or future business, financial condition, results of operations or performance to differ materially from our historical results or experiences or those expressed or implied in any forward-looking statements contained in this report. These risks and uncertainties include, but are not limited to: uncertainties regarding the severity and duration of the COVID-19 pandemic and its impact on our business and the economy generally, clinical trial or commercial results or new product approvals and therapy adoption; inability or failure to comply with applicable regulations; unpredictability of product launches; competitive dynamics; changes to reimbursement for the company's products; the company's success in developing new products and avoiding manufacturing and quality issues; the impact of currency exchange rates; the timing or results of research and development and clinical trials; unanticipated actions by the United States Food and Drug Administration and other regulatory agencies; unexpected impacts or expenses resulting from litigation or internal or government investigations; and other risks detailed under "Risk Factors" in Part I, Item 1A below, as such risks and uncertainties may be amended, supplemented or superseded from time to time by our subsequent reports on Forms 10-Q and 8-K we file with the U.S. Securities and Exchange Commission. These forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections.

Unless otherwise indicated or otherwise required by the context, the terms "we," "our," "it," "its," "Company," "Edwards," and "Edwards Lifesciences" refer to Edwards Lifesciences Corporation and its subsidiaries.

Item 1. Business

Overview

Edwards Lifesciences Corporation is the global leader in patient-focused medical innovations for structural heart disease and critical care monitoring. Driven by a passion to help patients, we partner with the world's leading clinicians and researchers and invest in research and development to transform care for those impacted by structural heart disease or who require hemodynamic monitoring in the hospital setting. Edwards Lifesciences has been a leader in these areas for over six decades. Since our founder, Lowell Edwards, first dreamed of using engineering to address diseases of the human heart, we have steadily built a company on the premise of imagining, building, and realizing a better future for patients.

A pioneer in the development of heart valve therapies, we are the world's leading manufacturer of heart valve systems and repair products used to replace or repair a patient's diseased or defective heart valve. Our innovative work in heart valves encompasses both surgical and transcatheter therapies for heart valve replacement and repair. In addition, our robust pipeline of future technologies is focused on the less invasive repair or replacement of the mitral and tricuspid valves of the heart, which are more complex and more challenging to treat than the aortic valve that is currently the focus of many of our commercially approved valve technologies. We are also a global leader in hemodynamic and noninvasive brain and tissue oxygenation monitoring systems used to measure a patient's cardiovascular function in the hospital setting.

Cardiovascular disease is the number-one cause of death in the world and is the top disease in terms of health care spending in nearly every country. Cardiovascular disease is progressive in that it tends to worsen over time and often affects the structure of an individual's heart.

Patients undergoing treatment for cardiovascular disease can be treated with a number of our medical technologies, which are designed to address individual patient needs with respect to disease process, comorbidities, and health status. For example, an individual with a heart valve disorder may have a faulty valve that is affecting the function of his or her heart or blood flow throughout his or her body. A clinician may elect to remove the valve and replace it with one of our bioprosthetic surgical tissue heart valves or surgically re-shape and repair the faulty valve with an Edwards Lifesciences annuloplasty ring. Alternatively, a clinician may implant an Edwards Lifesciences transcatheter valve or repair system via a catheter-based approach that does not require traditional open-heart surgery and can be done while the heart continues to beat. Patients in the hospital setting, including high-risk patients in the operating room or intensive care unit, are candidates for having their cardiac function or fluid levels monitored by our Critical Care products through multiple monitoring options, including noninvasive and minimally- invasive technologies. These technologies enable proactive clinical decisions while also providing the opportunity for improving diagnoses and developing individualized therapeutic management plans for patients.

Corporate Background

Edwards Lifesciences Corporation was incorporated in Delaware on September 10, 1999.

Our principal executive offices are located at One Edwards Way, Irvine, California 92614. The telephone number at that address is (949) 250-2500. We make available, free of charge on our website located at www.edwards.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after filing such reports with the Securities and Exchange Commission ("SEC"). The contents of our website are not incorporated by reference into this report.

Edwards Lifesciences' Product and Technology Offerings

The following discussion summarizes the main areas of products and technologies we offer to treat advanced cardiovascular disease. Our products and technologies are categorized into four main areas: Transcatheter Aortic Valve Replacement, Transcatheter Mitral and Tricuspid Therapies, Surgical Structural Heart, and Critical Care. For more information on net sales from these four main areas, see *"Net Sales by Product Group*" in Part II, Item 7 "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Transcatheter Aortic Valve Replacement

We are the global leader in transcatheter heart valve replacement technologies designed for the minimally-invasive replacement of aortic heart valves. The *Edwards SAPIEN* family of valves, including *Edwards SAPIEN XT,* the *Edwards SAPIEN 3,* and the *Edwards SAPIEN 3 Ultra* transcatheter heart valves, and their respective delivery systems, are used to treat heart valve disease using catheter-based approaches for patients who have severe symptomatic aortic stenosis and certain

patients with congenital heart disease. Delivered while the heart is beating, these valves can enable patients to experience a better quality of life sooner than patients receiving traditional surgical therapies. We began offering our transcatheter aortic heart valves to patients commercially in Europe in 2007, in the United States in 2011, and in Japan in 2013. Supported by extensive customer training and service, and a growing body of compelling clinical evidence, our *SAPIEN* family of transcatheter aortic heart valves are the most widely prescribed transcatheter heart valves in the world.

Sales of our transcatheter aortic valve replacement products represented 65%, 65%, and 63% of our net sales in 2021, 2020, and 2019, respectively.

Transcatheter Mitral and Tricuspid Therapies

We continue to make significant investments in the development of transcatheter heart valve repair and replacement technologies designed to treat mitral and tricuspid valve diseases. While many of these technologies are in development and clinical phases, the *PASCAL* and *Cardioband* transcatheter valve repair systems are commercially available in Europe for mitral and tricuspid valve repair. The *PASCAL* system provides a differentiated, minimally-invasive therapy to address the needs of patients with mitral or tricuspid regurgitation through leaflet approximation, while the *Cardioband* system enables clinicians to reduce the valve's annulus to restore a patient's mitral or tricuspid valve to a more functional state and lower regurgitation. In addition to transcatheter repair, we believe transcatheter replacement is key to unlocking the full mitral and tricuspid opportunity, given the complex and diverse patient population. Our two-platform mitral replacement strategy positions us for leadership in the mid-to-long term. *SAPIEN M3* is based on the proven *SAPIEN* valve, paired with a novel docking system. *EVOQUE Eos* is our next generation transcatheter replacement system, designed specifically for mitral patients. Both *SAPIEN M3* and *EVOQUE Eos* are implanted with transfemoral delivery systems that are sub 30-French, which has benefits for femoral puncture and septal crossing, contributing to ease of use, and patient safety. For tricuspid valve replacement, our *EVOQUE* system is also sub 30-French, and available in three valve sizes to enable treatment in a wide range of patient anatomies.

Surgical Structural Heart

We are pioneering more resilient surgical therapies that help patients and can improve the quality of their lives. Our *RESILIA* tissue, now with five years of published clinical data showing 0% structural valve deterioration through five years[1], is helping us redefine tissue durability standards. Our latest innovation, the *INSPIRIS RESILIA* aortic valve, is built on our *PERIMOUNT* platform and offers *RESILIA* tissue and *VFit* technology. *INSPIRIS* is the leading aortic surgical valve in the world. Sales of our surgical therapies in the United States also continue to gain traction with *KONECT RESILIA*, the first pre-assembled, aortic tissue valved conduit, for patients who require replacement of the valve, root, and ascending aorta. In 2021, we also received regulatory approval with reimbursement in Japan for our *MITRIS RESILIA* valve, a new mitral valve incorporating our newest tissue technology. In addition to our replacement valves, we are the worldwide leader in surgical heart valve repair therapies. Our recently launched *HARPOON Beating Heart Mitral Valve Repair System* can help transform care for many patients with degenerative mitral regurgitation. We believe the demand for surgical structural heart therapies is growing worldwide and that our innovation strategy will continue to extend our leadership and patient impact.

Sales of our surgical tissue heart valve products represented 15%, 16%, and 17% of our net sales in 2021, 2020, and 2019, respectively.

Critical Care

We are a world leader in advanced hemodynamic monitoring systems used to measure a patient's heart function and fluid status in surgical and intensive care settings. Hemodynamic monitoring plays an important role in enhancing surgical recovery. Edwards' complete hemodynamic portfolio helps clinicians make proactive clinical decisions that can improve patient outcomes. The portfolio includes the minimally invasive *FloTrac* and *Acumen IQ* sensors, the noninvasive *ClearSight* and *Acumen IQ* cuffs, and the *ForeSight* noninvasive tissue oximetry sensor. We also support clinical needs with our well-established *Swan-Ganz* line of pulmonary artery catheters and arterial pressure monitoring products. Compatible with our portfolio of sensors and catheters, the *HemoSphere* monitoring platform displays valuable physiological information in an easy to understand and actionable manner. Our first predictive algorithm, *Acumen Hypotension Prediction Index* software, alerts clinicians in advance of a patient developing dangerously low blood pressure and amplifies the clinical need for our *Acumen IQ* and *HemoSphere* monitoring solutions.

[1] Bavaria, et al. Five-year Outcomes of the COMMENCE trial investigating Aortic Valve Replacement with a Bioprosthetic Valve with a Novel Tissue. The Society of Thoracic Surgeons 2021 Annual Meeting; Bartus, et al. Final 5-year outcomes following aortic valve replacement with *RESILIA* tissue bio prosthesis. European Journal of Cardio-Thoracic Surgery, 2020.

Sales of our hemodynamic products represented 8%, 9%, and 10% of our net sales in 2021, 2020, and 2019, respectively.

Competition

The medical technology industry is highly competitive. We compete with many companies, including divisions of companies much larger than us and smaller companies that compete in specific product lines or certain geographies. Furthermore, new product development and technological change characterize the areas in which we compete. Our present or future products could be rendered obsolete or uneconomical as a result of technological advances by one or more of our present or future competitors or by other therapies, including drug therapies. We must continue to develop and commercialize new products and technologies to remain competitive in the cardiovascular medical technology industry. We believe that we are competitive primarily because we deliver superior clinical outcomes that are supported by extensive data, and innovative features that enhance patient benefit, product performance, and reliability; these superior clinical outcomes are in part due to the level of customer and clinical support we provide.

The cardiovascular segment of the medical technology industry is dynamic and subject to significant change due to cost-of-care considerations, regulatory reform, industry and customer consolidation, and evolving patient needs. The ability to provide products and technologies that demonstrate value and improve clinical outcomes is becoming increasingly important for medical technology manufacturers.

We believe that we are a leading global competitor in each of our product lines. In Transcatheter Aortic Valve Replacement, our primary competitors include Medtronic PLC and Abbott Laboratories ("Abbott"). In Transcatheter Mitral and Tricuspid Therapies, our primary competitor is Abbott, and there are a considerable number of large and small companies with development efforts in these fields. In Surgical Structural Heart, our primary competitors include Medtronic PLC, Abbott, and Artivion, Inc (formerly CryoLife). In Critical Care, we compete primarily with a variety of companies in specific product lines including ICU Medical, Inc., PULSION Medical Systems SE, a subsidiary of Getinge AB, Cheetah Medical, Inc., a subsidiary of Baxter International, and LiDCO Group PLC, a subsidiary of Masimo Corporation.

Sales and Marketing

Our portfolio includes some of the most recognizable cardiovascular device product brands in treating structural heart disease today. We have a number of product lines that require sales and marketing strategies tailored to deliver high-quality, cost-effective products and technologies to customers worldwide. Because of the diverse global needs of the population that we serve, our distribution system consists of several direct sales forces as well as independent distributors. We are not dependent on any single customer and no single customer accounted for 10% or more of our net sales in 2021.

To ensure optimal outcomes for patients, we conduct educational symposia and best practices training for our physician, hospital executive, service line leadership, nursing, and clinical-based customers. We rely extensively on our sales and field clinical specialist personnel who work closely with our customers in hospitals. Field clinical specialists routinely attend procedures where Edwards' products are being used in order to provide guidance on the use of our devices, thereby enabling physicians and staff to reach expert proficiency and deliver positive patient outcomes. Our customers include physicians, nurses, and other clinical personnel, but can also include decision makers such as service line leaders, material managers, biomedical staff, hospital administrators and executives, purchasing managers, and ministries of health. Also, for certain of our product lines and where appropriate, our corporate sales team actively pursues approval of Edwards Lifesciences as a qualified supplier for hospital group purchasing organizations ("GPOs") that negotiate contracts with suppliers of medical products. Additionally, we have contracts with a number of United States and European national and regional buying groups, including healthcare systems and Integrated Delivery Networks. Where we choose to market our products is also influenced by the existence of, or potential for, adequate reimbursement to hospitals and other providers by national healthcare systems.

United States. In the United States, we sell substantially all of our products through our direct sales forces. In 2021, 57% of our net sales were derived from sales to customers in the United States.

Outside of the United States. In 2021, 43% of our net sales were derived outside of the United States through our direct sales forces and independent distributors. Of the total sales outside of the United States, 53% were in Europe, 23% were in Japan, and 24% were in Rest of World. We sell our products in approximately 100 countries, and our major international markets include Canada, China, France, Germany, Italy, Japan, Spain, and the United Kingdom. A majority of the sales and marketing approach outside of the United States is direct sales, although it varies depending on each country's size and state of development.

Raw Materials and Manufacturing

We operate manufacturing facilities in various geographies around the world. We manufacture our Transcatheter Aortic Valve Replacement, Transcatheter Mitral and Tricuspid technologies, and Structural Surgical Heart products primarily in the United States (California and Utah), Singapore, Costa Rica, and Ireland. We manufacture our Critical Care products primarily in Puerto Rico and the Dominican Republic.

We use a diverse and broad range of raw and organic materials in the design, development, and manufacture of our products. We manufacture our non-implantable products from fabricated raw materials including resins, chemicals, electronics, and metals. Most of our replacement heart valves are manufactured from natural tissues harvested from animal tissue, as well as fabricated materials. We purchase certain materials and components used in manufacturing our products from external suppliers. In addition, we purchase certain supplies from single sources for reasons of sole source availability or constraints resulting from regulatory requirements.

We work with our suppliers to mitigate risk and seek continuity of supply while maintaining quality and reliability. Alternative supplier options are generally considered, identified, and approved for materials deemed critical to our products, although we do not typically pursue immediate regulatory qualification of alternative sources due to the strength of our existing supplier relationships and the time and expense associated with the regulatory validation process.

We comply with all current global guidelines regarding risks for products incorporating animal tissue intended to be implanted in humans. We follow rigorous sourcing and manufacturing procedures intended to safeguard humans from potential risks associated with diseases such as bovine spongiform encephalopathy ("BSE"). We obtain bovine tissue used in our pericardial tissue valve products only from sources within the United States and Australia, where strong control measures and surveillance programs exist. In addition, bovine tissue used in our pericardial tissue valve products is from tissue types considered by global health and regulatory organizations to have shown no risk of infectibility. Our manufacturing and sterilization processes are designed to render tissue biologically safe from all known infectious agents and viruses.

Quality Assurance

We are committed to providing to our patients quality products and have implemented modern quality systems and concepts throughout the organization. The quality system starts with the initial design concept, risk management, and product specification, and continues through the design of the product, packaging and labeling, and the manufacturing, sales, support, and servicing of the product. The quality system is intended to design quality into the products and utilizes continuous improvement concepts, including Lean/Six Sigma principles, throughout the product lifecycle.

Our operations are frequently inspected by the many regulators that oversee medical device manufacturing, including the United States Food and Drug Administration ("FDA"), European Notified Bodies, and other regulatory entities. The medical technology industry is highly regulated and our facilities and operations are designed to comply with all applicable quality systems standards, including the International Organization for Standardization ("ISO") 13485. These standards require, among other items, quality system controls that are applied to product design, component material, suppliers, and manufacturing operations. These regulatory approvals and ISO certifications can be obtained only after a successful audit of a company's quality system has been conducted by regulatory or independent outside auditors. Periodic reexamination by an independent outside auditor is required to maintain these certifications.

Environmental, Health, and Safety

We are committed to providing a safe and healthy workplace and complying with all relevant regulations and medical technology industry standards. Through our corporate and site level Environmental, Health, and Safety functions, we establish and monitor programs to reduce pollution, prevent injuries, and maintain compliance with applicable regulations. In order to measure performance, we monitor and report on a number of metrics, including regulated and non-regulated waste disposal, energy usage, water consumption, air toxic emissions, and injuries from our production activities. Each of our manufacturing sites is evaluated regularly with respect to a broad range of Environmental, Health, and Safety criteria.

Research and Development

In 2021, we made significant investments in research and development as we worked to develop therapies that we believe have the potential to change the practice of medicine. Research and development spending increased 19% year over year, representing 17% of 2021 sales. This increase was primarily the result of significant investments in our transcatheter structural heart programs, including an increase in clinical research for our mitral and tricuspid therapies. We are engaged in ongoing research and development to deliver clinically advanced new products, to enhance the effectiveness, ease of use, safety, and reliability of our current leading products, and to expand the applications of our products as appropriate. We focus on opportunities within specific areas of structural heart disease and critical care monitoring.

A considerable portion of our research and development investment includes clinical trials and the collection of evidence that provide data for use in regulatory submissions, and required post-market approval studies involving applications of our products. Our investment in clinical studies also includes outcomes and cost-effectiveness data for payers, clinicians, and healthcare systems.

In Transcatheter Aortic Valve Replacement, we are developing new products to further improve and streamline transcatheter aortic heart valve replacement procedures.

In Transcatheter Mitral and Tricuspid Therapies, we are making significant investments in innovation and clinical evidence to develop technologies designed to treat mitral and tricuspid valve diseases. In addition to our internally developed programs, we have made investments in several companies that are independently developing minimally-invasive technologies to treat structural heart diseases.

Our Surgical Structural Heart development programs include innovative platforms for patients who are best treated surgically, specifically active patients and patients with more complex combined procedures.

In our Critical Care product line, we are pursuing the development of a variety of decision support solutions for our clinicians. This includes next-generation noninvasive and minimally-invasive hemodynamic monitoring systems, and a next-generation monitor platform. We are also developing a decision support software suite with advanced algorithms for proactive hemodynamic management, including a semi-closed loop system for standardized management of patient fluid levels. Lastly, we are developing a connectivity platform that will offer clinicians additional clinical support, remote monitoring capability, analytics, and insights for their patients' hemodynamic status.

Our research and development activities are conducted primarily in facilities located in the United States and Israel. Our experienced research and development staff are focused on product design and development, quality, clinical research, and regulatory compliance. To pursue primary research efforts, we have developed alliances with several leading research institutions and universities, and also work with leading clinicians around the world in conducting scientific studies on our existing and developing products.

Proprietary Technology

Patents, trademarks, and other proprietary rights are important to the success of our business. We also rely upon trade secrets, know-how, continuing innovations, licensing opportunities, and non-disclosure agreements to develop and maintain our competitive position.

We own or have rights to a substantial number of patents and have patent applications pending both in the United States and in foreign countries. We continue to innovate and file new patent applications to protect our new products and technologies.

Additionally, we are a party to license agreements with various third parties pursuant to which we have obtained, for varying terms, the exclusive or non-exclusive rights to certain patents held by such third parties in consideration for cross-licensing rights and/or royalty payments. We have also licensed certain patent rights to others.

We undertake reasonable measures to protect our patent rights, including monitoring the products of our competitors for possible infringement of our patents. Litigation has been necessary to enforce certain patent rights held by us, and we plan to continue to defend and prosecute our rights with respect to such patents.

Moreover, we own certain United States registered trademarks used in our business. Many of our trademarks have also been registered for use in certain foreign countries where registration is available and where we have determined it is commercially advantageous to do so.

Government Regulation and Other Matters

Our products and facilities are subject to regulation by numerous government agencies, including the FDA, European Union Member States competent authorities, and the Japanese Pharmaceuticals and Medical Devices Agency, to confirm compliance with the various laws and regulations governing the development, testing, manufacturing, labeling, marketing, and distribution of our products.

We are also governed by federal, state, local, and international laws of general applicability, including, but not limited to, those regulating employee health and safety, labor, competition, trade secret, and the protection of the environment. Overall, the amount and scope of domestic and foreign laws and regulations applicable to our business has increased over time. Compliance with these regulations has not had a material effect on our capital expenditures, earnings, or competitive position to date, but new regulations or amendments to existing regulations to make them more stringent could have such an effect in the future. We cannot estimate the expenses we may incur to comply with potential new laws or changes to existing laws, or the other potential effects these laws may have on our business.

United States Regulation. In the United States, the FDA has responsibility for regulating medical devices. The FDA regulates design, development, testing, clinical studies, manufacturing, labeling, promotion, and record keeping for medical devices, and reporting of adverse events, recalls, or other field actions by manufacturers and users to identify potential problems with marketed medical devices. Many of the devices that we develop and market are in a category for which the FDA has implemented stringent clinical investigation and pre-market clearance or approval requirements. The process of obtaining FDA clearance or approval to market a product is resource intensive, lengthy, and costly. FDA review may involve substantial delays that adversely affect the marketing and sale of our products. A number of our products are pending regulatory clearance or approval to begin commercial sales in various markets. Ultimately, the FDA may not authorize the commercial release of a medical device if it determines the device is not safe and effective or does not meet other regulatory standards. Additionally, even if a product is cleared or approved, the FDA may impose restrictions or require testing and surveillance programs to monitor the effects of these products once commercialized.

The FDA has the authority to halt the distribution of certain medical devices, detain or seize adulterated or misbranded medical devices, order the repair, replacement, or refund of the costs of such devices, or preclude the importation of devices that are or appear violative. The FDA also conducts inspections to determine compliance with the quality system regulations concerning the manufacturing and design of devices and current medical device reporting regulations, recall regulations, clinical testing regulations, and other requirements. The FDA may withdraw product clearances or approvals due to failure to comply with regulatory standards, or the occurrence of unforeseen problems following initial approval, and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. Additionally, the failure to comply with FDA or comparable regulatory standards or the discovery of previously unknown product problems could result in fines, delays, suspensions or withdrawals of regulatory clearances or approvals, seizures, injunctions, recalls, refunds, civil money penalties, or criminal prosecution. Our compliance with applicable regulatory requirements is subject to continual review. Moreover, the FDA and several other United States agencies administer controls over the export of medical devices from the United States and the import of medical devices into the United States, which could also subject us to sanctions for noncompliance.

We are also subject to additional laws and regulations that govern our business operations, products, and technologies, including:

- federal, state, and foreign anti-kickback laws and regulations, which generally prohibit payments to anyone, including physicians as an inducement to purchase or recommend a product;
- the Stark law, which prohibits physicians from referring Medicare or Medicaid patients to a provider that bills these programs for the provision of certain designated health services if the physician (or a member of the physician's immediate family) has a financial relationship with that provider;
- federal and state laws and regulations that protect the confidentiality of certain patient health information, including patient records, and restrict the use and disclosure of such information, in particular, the Health Insurance Portability and Accountability Act of 1996;

- the Physician Payments Sunshine Act, which requires public disclosure of the financial relationships of United States physicians and teaching hospitals with applicable manufacturers, including medical device, pharmaceutical, and biologics companies;

- the False Claims Act, which prohibits the submission of false or otherwise improper claims for payment to a federally funded health care program, and health care fraud statutes that prohibit false statements and improper claims to any third-party payor; and

- the United States Foreign Corrupt Practices Act, which can be used to prosecute United States companies for arrangements with foreign government officials or other parties, or for not keeping accurate financial records or maintaining adequate internal controls to prevent and detect arrangements with foreign government officials or other parties.

Failure to comply with these laws and regulations could result in criminal liability, significant fines or penalties, negative publicity, and substantial costs and expenses associated with investigation and enforcement activities. To assist in our compliance efforts, we work to adhere to many codes of ethics and conduct regarding our business activities in the United States and other countries in which we operate. In addition, we have in place a dedicated team to improve our internal business compliance programs and policies.

Regulation Outside of the United States. Outside of the United States, the regulation of medical devices is complex. In Europe, our products are subject to extensive regulatory requirements. The regulatory regime in the European Union for medical devices became mandatory in June 1998. It requires that medical devices may only be placed on the market if they do not compromise safety and health when properly installed, maintained, and used in accordance with their intended purpose. National laws conforming to the European Union's legislation regulate our products under the medical devices regulatory system. Although the more variable national requirements under which medical devices were formerly regulated have been substantially replaced by the European Union Medical Devices Directive, individual nations can still impose unique requirements that may require supplemental submissions. The European Union medical device laws require manufacturers to declare that their products conform to the essential regulatory requirements after which the products may be placed on the market bearing the CE Mark. Manufacturers' quality systems for products in all but the lowest risk classification are also subject to certification and audit by an independent notified body. In Europe, particular emphasis is being placed on more sophisticated and faster procedures for the reporting of adverse events to the competent authorities.

In May 2017, the European Union (the "EU") implemented a new regulatory scheme for medical devices under the Medical Device Regulation ("MDR"). The MDR became fully effective on May 26, 2021 and brought significant new requirements for many medical devices, including enhanced requirements for clinical evidence and documentation, increased focus on device identification and traceability, new definitions and registration of economic operators throughout the distribution chain, and additional post-market surveillance and vigilance. Compliance with the MDR requires re-certification of many of our products to the enhanced standards, and has resulted in and will continue to result in substantial additional expense. In addition, in the EU, we import some of our devices through our offices in Switzerland. Switzerland is not a member state of the EU, but is linked to the EU through bilateral treaties; therefore, the free movement of goods, including medical devices, between the EU and Switzerland after implementation of the MDR requires a revised Mutual Recognition Agreement ("MRA"). If an MRA covering the MDR is not put in place, then non-EU manufacturers may be required to make significant changes, including replacement of Swiss economic operators with operators based in EU Member States, and changes will need to be made to our device labeling and/or packaging to satisfy MDR requirements. If these measures are unable to be taken, it may no longer be possible to place such devices on the EU market.

In Japan, pre-market approval and clinical studies are required as is governmental pricing approval for medical devices. Clinical studies are subject to a stringent Japanese "Good Clinical Practices" standard. Approval time frames from the Japanese Ministry of Health, Labour and Welfare vary from simple notifications to review periods of one or more years, depending on the complexity and risk level of the device. In addition, importation of medical devices into Japan is subject to the "Good Import Practices" regulations. As with any highly regulated market, significant changes in the regulatory environment could adversely affect future sales.

In many of the other foreign countries in which we market our products, we may be subject to regulations affecting, among other things:

- product standards and specifications;

- packaging requirements;

- labeling requirements;
- product collection and disposal requirements;
- quality system requirements;
- import restrictions;
- tariffs;
- duties; and
- tax requirements.

Many of the regulations applicable to our devices and products in these countries are similar to those of the FDA. In some regions, the level of government regulation of medical devices is increasing, which can lengthen time to market and increase registration and approval costs. In many countries, the national health or social security organizations require our products to be qualified before they can be marketed and considered eligible for reimbursement.

Health Care Initiatives. Government and private sector initiatives to limit the growth of health care costs, including price regulation and competitive pricing, coverage and payment policies, comparative effectiveness reviews, technology assessments, increasing evidentiary demands, and managed-care arrangements, are continuing in many countries where we do business, including the United States, Europe, and Japan. As a result of these changes, the marketplace has placed increased emphasis on the delivery of more cost-effective medical therapies. For example, government programs, private health care insurance, and managed-care plans have attempted to control costs by restricting coverage and limiting the level of reimbursement for procedures or treatments, and some third-party payors require their pre-approval before new or innovative devices or therapies are utilized by patients. These various initiatives have created increased price sensitivity over medical products generally and may impact demand for our products and technologies.

The delivery of our products is subject to regulation by the United States Department of Health and Human Services ("HHS") and comparable state and foreign agencies responsible for reimbursement and regulation of health care items and services. Foreign governments also impose regulations in connection with their health care reimbursement programs and the delivery of health care items and services. Reimbursement schedules regulate the amount the United States government will reimburse hospitals and doctors for the inpatient care of persons covered by Medicare. HHS' Centers for Medicare & Medicaid Services ("CMS") may also review whether and/or under what circumstances a procedure or technology is reimbursable for Medicare beneficiaries. Changes in current coverage and reimbursement levels could have an adverse effect on market demand and our pricing flexibility. The CMS National Coverage Determination for Transcatheter Aortic Valve Replacement was issued in June 2019. The modernized requirements and more streamlined patient evaluation process are meaningful enhancements that may help ensure equitable access for more patients suffering from severe aortic stenosis.

Health care cost containment efforts have also prompted domestic hospitals and other customers of medical device manufacturers to consolidate into larger purchasing groups to enhance purchasing power. The medical technology industry has also experienced some consolidation, partly in order to offer a broader range of products to large purchasers. As a result, transactions with customers are larger, more complex, and tend to involve more long-term contracts than in the past. These larger customers, due to their enhanced purchasing power, may have a material impact on product pricing.

These laws or any future legislation, including deficit reduction legislation, could impact medical procedure volumes, reimbursement for our products, and demand for our products or the prices at which we sell our products.

Seasonality

Our quarterly net sales are influenced by many factors, including new product introductions, acquisitions, regulatory approvals, patient and physician holiday schedules, and other factors. Net sales in the third quarter are typically lower than other quarters of the year due to the seasonality of the United States and European markets, where summer vacation schedules normally result in fewer medical procedures.

Human Capital Management Strategy

Human Capital Management ("HCM") Governance

Attracting, developing, and retaining talent is fundamental to our success. The primary goals of our talent management strategy are to attract and maintain a motivated, professional workforce and to ensure alignment on our patient-focused innovation strategy.

Our Board of Directors routinely engages with leadership in human capital management with time dedicated at each regularly scheduled meeting to discuss talent management, including, among other things, talent strategy, diversity, succession planning, employee development, employee health, safety, and welfare, results of employee surveys, and compensation. The Board of Directors also approves Key Operating Drivers, which are strategic milestones that include financial objectives and are tracked using a point system across our entire organization, that focus the Company and management toward short, medium, and long-term goals that align with our talent management strategy. In addition, the Chief Executive Officer ("CEO") has talent management related performance goals tied to his compensation; these Performance Management Objectives are reviewed on an annual basis, tracked, and then reported to and evaluated by our Board of Directors.

As we scale to reach more patients around the world, we have integrated our Talent & Organization (“T&O”) Strategy with our Edwards Strategic Planning process. The purpose of our T&O Strategy is to anticipate dynamic global trends related to our workforce, develop our talent to meet future organizational needs, and enable us to be well-poised for ongoing market success. The T&O Strategy enables us to explore external workforce signals, share insights, and identify and build emerging capabilities across our organization. The T&O Strategy framework takes a comprehensive approach which includes envisioning the future of our work (the "what" and "how" we deliver our patient focused strategy), planning our workforce (the "who" joining our community of trusted partners), and designing our workplace (the "where" and "when" work gets done). This consistent and scalable approach looks across all our product groups, regions, and significant functions to align and elevate priorities, critical capabilities, and organizational evolutions in line with our strategic plan. This integrated approach informs our yearly objectives and fuels our talent roadmap across the strategic horizon.

Our HCM governance includes a global talent development review ("TDR") process as well as an HCM dashboard. The purpose of our TDR process is to align our business strategy with talent strategies, assess talent against future organizational needs, evaluate critical talent populations, and enhance the strength of our succession planning. Our HCM dashboard is generated quarterly and provides insights on key metrics related to areas such as attraction and growth rates, retention trends, diversity, and employee sentiment.

Culture

Investing in our workforce means our employees can stay focused on our patient-focused innovation strategy and the development of life-saving therapies for the patients we serve. We are committed to maintaining an ethical culture where we celebrate diversity, promote good health and safety, empower employees to speak up, and ensure that employees' voices are heard. We strive to offer competitive employee benefits packages and are committed to fair and equitable pay practices. We track compensation patterns in all geographies where we operate, and we regularly look for ways to ensure fair and equitable pay.

We are committed to fostering an environment where all employees can grow and thrive. A diverse workforce results in a broader range of perspectives, helping drive our commitment to innovation. We have established a Diversity, Inclusion, and Belonging strategy that incorporates the four pillars of Business, People, Communication, and Community.

We believe in empowering our employees and providing avenues that enable their voices to be heard. We conduct a multilingual global employee survey, called *my*Voice, to pulse our employees and gain their feedback in a confidential manner. We gain insights on various topics including patient focus, diversity, inclusion and belonging, quality, innovation, and engagement. Speak-Up is a resource available to all employees to bring forth compliance related concerns; a key element of our compliance program is that each employee is accountable for maintaining ethical business practices. In addition, during each quarterly townhall meeting, our CEO has an "Ask Mike" section in which he answers questions that have been submitted to him by employees. Answers to questions that are not covered in the townhall meeting are posted online internally.

We understand that good health leads to better performance. We offer competitive employee benefits packages that include, among other things, health and welfare insurance, health savings accounts, family support services, and a variety of site-specific programs. We regularly evaluate our benefits package to make modifications that are aligned with the competitive landscape, legislative changes, and the unique needs of our population. We also provide robust wellness programs that address prevention, nutrition, mental health, physical activity, education, financial fitness, and community service. In recent years, mental wellness has become a central topic for organizations worldwide. As part of our regular evaluation and commitment to putting employees first, we launched a new program, Mind+, which offers a wide variety of mental health benefits and wellness

programs for our employees. This commitment extends to creating a work environment where employees can feel confident speaking about mental health with their managers and know how best to access the tools and resources available to support them. We believe there are strong benefits when employees are feeling their best. Employees who are mentally healthy are more innovative, resilient, better decision-makers, and able to build stronger relationships. We also believe that prioritizing and promoting Mind+ allows us to help patients around the world to live longer, healthier, and more productive lives and supports employees to be their best self at home and at work.

Talent Development

In addition to our robust TDR process and tuition reimbursement programs, we provide a variety of leadership, technical, and professional development programs around the globe.

Headcount and Labor Representation

As of December 31, 2021, we had approximately 15,700 employees worldwide, the majority of whom were located in the United States, Singapore, the Dominican Republic, and Costa Rica. None of our North American employees are represented by a labor union. In various countries outside of North America, we interact with trade unions and work councils that represent employees.

Additional details regarding diversity, talent development, compensation, and employee health and safety can be found in our Sustainability Report posted on our website at www.edwards.com under "About Us — Corporate Responsibility."

References to our website in this Annual Report on Form 10-K are provided for convenience only and the content on our website does not constitute a part of this Report.

Item 1A. Risk Factors

Our business and assets are subject to varying degrees of risk and uncertainty. An investor should carefully consider the risks described below, as well as other information contained in this Annual Report on Form 10-K and in our other filings with the SEC. Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business. If any of these events or circumstances occurs, our business, financial condition, results of operations, or prospects could be materially harmed. In that case, the value of our securities could decline and an investor could lose part or all of his or her investment. In addition, forward-looking statements within the meaning of the federal securities laws that are contained in this Annual Report on Form 10-K or in our other filings or statements may be subject to the risks described below as well as other risks and uncertainties. Please note that the headers provided below are intended to assist the reader in navigating the risk factors; however, some risks, present or future, may implicate multiple types of risks. Please read the cautionary notice regarding forward-looking statements in Part I above.

Business and Operating Risks

We are subject to risks associated with public health threats and epidemics, including the novel coronavirus ("COVID-19") and any variants of COVID-19.

We are subject to risks associated with public health threats and epidemics, including the global health concerns related to the COVID-19 pandemic. The global pandemic has adversely impacted and is likely to further adversely impact nearly all aspects of our business and markets, including our workforce and operations and the operations of our customers, suppliers, and business partners. In particular, we may experience material financial or operational impacts, including:

- Significant volatility or reductions in demand for our products;
- Impacts and delays to clinical trials, our pipeline milestones, or regulatory clearances and approvals; or
- The inability to meet our customers' needs or other obligations due to disruptions to our operations or the operations of our third-party partners, suppliers, contractors, logistics partners, or customers including disruptions to production, development, manufacturing, administrative, and supply operations and arrangements.

The extent to which the COVID-19 global pandemic and measures taken in response thereto impact our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and are difficult to

predict. These developments include, but are not limited to, the duration and spread of the outbreak (including new variants of COVID-19), its severity, the actions to contain the virus or address its impact, the timing, distribution, and efficacy of vaccines and other treatments, United States and foreign government actions to respond to the reduction in global economic activity, and how quickly and to what extent normal economic and operating conditions can resume.

Failure to successfully innovate and develop new and differentiated products in a timely manner and effectively market these products could have a material effect on our prospects.

Our continued growth and success depend on our ability to innovate and develop new and differentiated products in a timely manner and effectively market these products. Without the timely innovation and development of products, our products could be rendered obsolete or less competitive by changing customer preferences or because of the introduction of a competitor's newer technologies. Innovating products requires the devotion of significant financial and other resources to research and development activities; however, there is no certainty that the products we are currently developing will complete the development process, or that we will obtain the regulatory or other approvals required to market such products in a timely manner or at all. Even if we timely innovate and develop products, our ability to market them could be constrained by a number of different factors, including barriers in patients' treatment pathway (including disease awareness, detection, and diagnosis), the need for regulatory clearance, restrictions imposed on approved indications, and uncertainty over third-party reimbursement. Failure in any of these areas could have a material effect on our prospects.

Unsuccessful clinical trials or procedures relating to products could have a material adverse effect on our prospects.

The regulatory approval process for new products and new indications for existing products requires extensive clinical trials and procedures, including early clinical feasibility and regulatory studies. Unfavorable or inconsistent clinical data from current or future clinical trials or procedures conducted by us, our competitors, or third parties, or perceptions regarding this clinical data, could adversely affect our ability to obtain necessary approvals and the market's view of our future prospects. Such clinical trials and procedures are inherently uncertain and there can be no assurance that these trials or procedures will be enrolled or completed in a timely or cost-effective manner or result in a commercially viable product or indication; failure to do so could have a material adverse effect on our prospects. Clinical trials or procedures may experience significant setbacks even after earlier trials have shown promising results. Further, preliminary results from clinical trials or procedures may be contradicted by subsequent analyses. In addition, results from our clinical trials or procedures may not be supported by actual long-term studies or clinical experience. If preliminary clinical results are later contradicted, or if initial results cannot be supported by actual long-term studies or clinical experience, our business could be adversely affected. Clinical trials or procedures may be delayed, suspended, or terminated by us, the FDA, or other regulatory authorities at any time if it is believed that the trial participants face unacceptable health risks or any other reasons, and any such delay, suspension, or termination could have a material adverse effect on our prospects or the market's view of our future prospects.

We operate in highly competitive markets, and if we do not compete effectively, our business will be harmed.

We face substantial competition and compete with companies of all sizes on the basis of cost-effectiveness, technological innovations, product performance, brand name recognition, breadth of product offerings, real or perceived product advantages, pricing and availability and rate of reimbursement. In addition, given the trend toward value-based healthcare, if we are not able to continue to demonstrate the full value of our differentiated products to healthcare providers and payors, our competitive position could be adversely affected. See "*Competition*" under "*Business*" in Part I, Item 1 included herein.

If we identify underperforming operations or products or if there are unforeseen operating difficulties and expenditures in connection with business acquisitions or strategic alliances, we may be required, from time to time, to recognize charges, which could be substantial and which could adversely affect our results of operations.

We actively manage a portfolio of research and development products, and we regularly explore potential acquisitions of complementary businesses, technologies, services, or products, as well as potential strategic alliances. From time to time, we identify operations and products that are underperforming, do not fit with our longer-term business strategy or there may be unforeseen operating difficulties and significant expenditures during the integration of an acquired business, technology, service, or product into our existing operations. We may seek to dispose of these underperforming operations or products, and we may also seek to dispose of other operations or products for strategic or other business reasons. If we cannot dispose of an operation or product on acceptable terms, we may voluntarily cease operations related to that product. In addition, we may be required to take charges or write-downs in connection with acquisitions and divestitures. In particular, acquisitions of businesses engaged in the development of new products may give rise to developed technology and/or in-process research and development assets. To the extent that the value of these assets decline, we may be required to write down the value of the assets. Also, in connection with certain asset acquisitions, we may be required to take an immediate charge related to acquired in-process research and development assets. Any of these events could result in charges, which could be substantial and which could adversely affect our results of operations.

The success of many of our products depends upon certain key physicians.

We work with leading global physicians who provide considerable knowledge and experience. These physicians may assist us as researchers, marketing consultants, product trainers and consultants, inventors, and as public speakers. If new laws, regulations, or other developments limit our ability to appropriately engage these professionals or to continue to receive their advice and input or we are otherwise unsuccessful in maintaining strong working relationships with these physicians, the development, marketing, and successful use of our products could suffer, which could have a material adverse effect on our business, financial condition, and results of operations.

If we or one of our suppliers or logistics partners encounters manufacturing, logistics, or quality problems, our business could be materially adversely affected.

The manufacture and sterilization of many of our products is highly complex due in part to rigorous regulatory requirements. Quality is extremely important due to the serious and costly consequences of a product failure. Problems can arise for a number of reasons, including disruption of facility utilities, equipment malfunction, failure to follow protocols and procedures, raw material problems, software problems, cyber incidents, or human error. Disruptions can occur at any time, including during production line transfers and expansions. Disruptions can also occur if our manufacturing and warehousing facilities are damaged by earthquakes, hurricanes, volcanoes, fires, and other natural disasters or catastrophic circumstances. As we expand into new markets and scale new products for commercial production, we may face unanticipated delays or surges in demand which could strain our production capacity and lead to other types of disruption. If any of these manufacturing, logistics, or quality problems arise or if we or one of our suppliers or logistics partners otherwise fail to meet internal quality standards or those of the FDA or other applicable regulatory body, our reputation could be damaged, we could become subject to a safety alert or a recall, we could incur product liability and other costs, product approvals and production could be delayed, and our business could otherwise be materially adversely affected.

We rely on third parties in the design, manufacture, and sterilization of our products. Any failure by or loss of a vendor could result in delays and increased costs, which may adversely affect our business.

We rely on third parties for a broad range of raw and organic materials and other items in the design, manufacture, and sterilization of our products, and we purchase certain supplies and services from single sources for reasons of quality assurance, cost-effectiveness, availability, constraints resulting from regulatory requirements, and other reasons. We may experience supply interruptions due to a variety of factors, including:

- General economic conditions that could adversely affect the financial viability of our vendors;
- Vendors' election to no longer service medical technology companies due to the burdens of applicable quality requirements and regulations;
- The limitation or ban of certain chemicals or other materials used in the manufacture of our products; and
- Delays or shortages due to trade or regulatory embargoes.

A change or addition to our vendors could require significant effort due to the rigorous regulations and requirements of the FDA and other regulatory authorities; it could be difficult to establish additional or replacement sources on a timely basis or at all, which could have a material adverse effect on our business.

Failure to protect our information technology infrastructure and our products against cyber-based attacks, network security breaches, service interruptions, or data corruption could materially disrupt our operations and adversely affect our business and operating results.

The operation of our business depends on our information technology systems. We rely on our information technology systems to, among other things, effectively manage sales and marketing data, accounting and financial functions, inventory management, product development tasks, clinical data, customer service and technical support functions. Our information technology systems are vulnerable to damage or interruption from earthquakes, fires, floods and other natural disasters, terrorist attacks, power losses, computer system or data network failures, security breaches, and data corruption.

In addition, our information technology infrastructure and products are vulnerable to cyber-based attacks. Cyber-based attacks can include, but are not limited to, computer viruses, denial-of-service attacks, phishing attacks, ransomware attacks, and other introduction of malware to computers and networks; unauthorized access through the use of compromised credentials; exploitation of design flaws, bugs, or security vulnerabilities; intentional or unintentional acts by employees or other insiders with access privileges; and intentional acts of vandalism by third parties and sabotage. In addition, United States federal and state laws and regulations, and the laws and regulations of jurisdictions outside of the United States, such as the General Data Protection Regulation adopted by the European Union and the California Consumer Privacy Act, can expose us to investigations and enforcement actions by regulatory authorities and claims from individuals potentially resulting in penalties and significant legal liability, if our information technology security efforts are inadequate. In addition, we rely upon technology suppliers, including cloud-based data management applications hosted by third-party service providers, whose security and information technology systems are subject to similar risks.

Significant disruption in either our or our service providers' or suppliers' information technology or the security of our products could impede our operations or result in decreased sales, result in liability claims or regulatory penalties, or lead to increased overhead costs, product shortages, loss or misuse of proprietary or confidential information, intellectual property, or sensitive or personal information, all of which could have a material adverse effect on our reputation, business, financial condition, and operating results.

Our business and results of operations may be adversely affected if we are unable to recruit and retain qualified management and other personnel.

Our continued success depends, in large part, on our ability to hire and retain qualified people or otherwise have access to such qualified people globally and if we are unable to do so, our business and operations may be impaired or disrupted. See "*Human Capital Management Strategy*" under "*Business*" in Part I, Item 1 included herein. Competition for highly qualified people is intense, and there is no assurance that we will be successful in attracting or retaining replacements to fill vacant positions, successors to fill retirements or employees moving to new positions, or other highly qualified personnel.

Market and Other External Risks

Because we operate globally, our business is subject to a variety of risks associated with international sales and operations.

Our extensive global operations and business activity as well as the fact that many of our manufacturing facilities and suppliers are outside of the United States are accompanied by certain financial, economic, political, and other risks, including those listed below.

Domestic and Global Economic Conditions. We cannot predict to what extent general domestic and global economic conditions may negatively impact our business. These include, but are not limited to, credit and capital markets, interest rates, tax law, including tax rate and policy changes, factors affecting global economic stability, and the political environment relating to health care. These and other conditions could also adversely affect our customers, payers, vendors and other stakeholders and may impact their ability or decision to purchase our products or make payments on a timely basis.

***Health Care Legislation and Other Regulations*.** We are subject to various federal and foreign laws that govern our domestic and international business practices. For example, in the United States, the Affordable Care Act, the Medicare Access and CHIP Reauthorization Act of 2015, and the 21st Century Cures Act, or any future legislation, including deficit reduction legislation, could impact medical procedure volumes, reimbursement for our products, and demand for our products or the prices at which we sell our products. In addition, a Mutual Recognition Agreement still under negotiation for the Medical Device Regulation can result in a lack of free movement of medical devices between the European Union and Switzerland, can impact our access in the European Union and can, ultimately, have a material effect on our business, financial condition, and results of operations. For more information about these laws as they relate to our business, see the section entitled "*Government Regulation and Other Matter*s" in Part I, Item 1, "*Business*."

In addition, the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act, and similar laws in other jurisdictions contain prohibitions against bribery and other illegal payments, and make it an offense to fail to have procedures in place that prevent such payments. Penalties resulting from any violation of these laws could adversely affect us and our business.

Taxes. We are subject to income taxes in the United States as well as other jurisdictions.

- *Provision for Income Taxes.* Our provision for income taxes and our underlying effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our income tax provision could also be impacted by changes in excess tax benefits of stock-based compensation, federal and state tax credits, non-deductible expenses, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability and creditability of withholding taxes, and effects from acquisitions.

- *Tax Reform*. Our provision for income taxes could be materially impacted by changes in accounting principles or evolving tax laws, including, but not limited to, global corporate tax reform and base-erosion and tax transparency efforts. For example, many countries are aligning their international tax rules with the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting recommendations and action plans that aim to standardize and modernize international corporate tax policy, including changes to cross-border taxes, transfer pricing documentation rules, nexus-based tax practices, and taxation of digital activities.

- *Tax Audits*. We are subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. Although we regularly assess the likely outcomes of the audits and record reserves for potential tax payments, the calculation of tax liabilities involves the application of complex tax laws, and our estimates could be different than the amounts for which we are ultimately liable.

- *Tax Incentives*. We benefit from various global tax incentives extended to encourage investment or employment. Several foreign jurisdictions have granted us tax incentives which require renewal at various times in the future. If our incentives are not renewed or we cannot or do not wish to satisfy all or part of the tax incentive conditions, we may lose the tax incentives and could be required to refund tax incentives previously realized. As a result, our provision for income taxes could be higher than it would have been had we maintained the benefits of the tax incentives.

Other economic, political, and social risks. In addition to the factors enumerated above, we are from time to time impacted by a variety of other factors associated with doing business internationally that can harm our future results, including the following:

- trade protection measures, quotas, embargoes, import or export requirements, and duties, tariffs, or surcharges;

- cultural or other local factors affecting financial terms with customers;

- differing labor regulations; and

- currency exchange rate fluctuations; that is, decreases in the value of the United States dollar to the Euro or the Japanese yen, as well as other currencies, have the effect of increasing our reported revenues even when the volume of sales outside of the United States has remained constant. Increases in the value of the United States dollar relative to the Euro or the Japanese yen, as well as other currencies, have the opposite effect. Significant increases or decreases in the value of the United States dollar could have a material adverse effect on our revenues, cost of sales, or results of operations.

If government and other third-party payors decline to reimburse our customers for our products or impose other cost containment measures to reduce reimbursement levels, our ability to profitably sell our products will be harmed.

We sell our products and technologies to hospitals and other health care providers, nearly all of which receive reimbursement for the health care services provided to patients from third-party payors, such as government programs (both domestic and outside of the United States), private insurance plans, and managed care programs. The ability of customers to obtain appropriate reimbursement for their products from private and governmental third-party payors is critical to our success. The availability of reimbursement affects which products customers purchase and the prices they are willing to pay. Reimbursement varies from country to country and can significantly impact acceptance of new products.

Government and other third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement for medical products and services. Reimbursement levels may be decreased in the future. Additionally, future legislation, regulation, or reimbursement policies of third-party payors may otherwise adversely affect the demand for and price levels of our products. The introduction of cost containment incentives, combined with closer scrutiny of health care expenditures by both private health insurers and employers, has resulted in increased discounts and contractual adjustments to hospital charges for services performed. Hospitals or physicians may respond to such cost-containment pressures by substituting lower cost products or other therapies.

Third-party payors may deny reimbursement if they determine that a device used in a procedure was not used in accordance with cost-effective treatment methods as determined by such third-party payors or was used for an unapproved indication. Third-party payors may also deny reimbursement for experimental procedures and devices. We believe that many of our existing products are cost-effective, even though the one-time cost may be significant, because they are intended to improve quality of life and reduce overall health care costs over a long period of time. We cannot be certain that these third-party payors will recognize these cost savings and quality of life benefits instead of merely focusing on the lower initial costs associated with competing therapies. If our products are not considered cost-effective by third-party payors, our customers may not be reimbursed for them, resulting in lower sales of our products.

Continued consolidation in the health care industry could have an adverse effect on our sales and results of operations.

The health care industry has been consolidating, and organizations such as GPOs, independent delivery networks, and large single accounts, such as the United States Veterans Administration, continue to consolidate purchasing decisions for many of our health care provider customers. As a result, transactions with customers are larger and more complex, and tend to involve more long-term contracts. The purchasing power of these larger customers has increased, and may continue to increase, causing downward pressure on product pricing. If we are not one of the providers selected by one of these organizations, we may be precluded from making sales to its members or participants. Even if we are one of the selected providers, we may be at a disadvantage relative to other selected providers that are able to offer volume discounts based on purchases of a broader range of medical equipment and supplies. Further, we may be required to commit to pricing that has a material adverse effect on our revenues, profit margins, business, financial condition, and results of operations. We expect that market demand, governmental regulation, third-party reimbursement policies, and societal pressures will continue to drive consolidation and increase pricing pressure.

Legal, Compliance, and Regulatory Risks

Our inability to protect our intellectual property or failure to maintain the confidentiality and integrity of data or other sensitive company information, by cyber-attack or other event, could have a material adverse effect on our business.

Our success and competitive position are dependent in part upon our ability to protect our proprietary intellectual property through a combination of patents and trade secrets. We cannot guarantee that the protective steps we take are adequate to protect these rights:

- Patents issued to or licensed by us in the past or in the future may be challenged and held invalid.
- As our patents expire, we may be unsuccessful in extending their protection through patent term extensions.
- Confidentiality agreements with certain employees, consultants, and other third parties intended to protect, in part, trade secrets and other proprietary information could be breached, and we may not have adequate remedies.
- Others could independently develop substantially equivalent proprietary information or gain access to our trade secrets or proprietary information, design around our technology, or develop competing technologies.
- Our intellectual property, other proprietary technology, and other sensitive company information is dependent on sophisticated information technology systems and is potentially vulnerable to cyber-attacks, loss, theft, damage, destruction from system malfunction, computer viruses, loss of data privacy, or misappropriation or misuse of it by those with permitted access, and other events.
- We may not detect infringement.
- Intellectual property protection may also be unavailable or limited in some foreign countries.

We spend significant resources to protect and enforce our intellectual property rights, sometimes resulting in expensive and time-consuming litigation that is complex and may ultimately be unsuccessful. Our inability to protect our intellectual property could have a material adverse effect on our business or prospects.

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

During recent years, we and our competitors have been involved in substantial litigation regarding patent and other intellectual property rights which is typically costly and time-consuming. We may be forced to defend against claims and legal actions alleging infringement of the intellectual property rights of others, and, if our defense is unsuccessful, we could have significant liabilities to third parties or face injunctions that bar the sale of our products, or could require us to seek licenses from third parties. Such licenses may not be available on commercially reasonable terms, may prevent us from manufacturing, selling, or using certain products, or may be non-exclusive, which could provide our competitors access to the same technologies.

In addition, third parties could also obtain patents that may require us to either redesign products, negotiate licenses from such third parties, which may be costly, unavailable or require us to exit a particular product offering.

We and our customers are subject to rigorous governmental regulations and we may incur significant expenses to comply with these regulations and develop products that are compatible with these regulations. In addition, failure to comply with these regulations could subject us to substantial sanctions which could adversely affect our business, results of operations, and financial condition.

The medical technologies we create, study, manufacture and market globally are subject to rigorous regulation and scrutiny by the FDA and various other federal, state, and foreign governmental authorities. Government regulation applies to nearly all aspects of our products' lifecycles, including testing, clinical study, manufacturing, transporting, sourcing, safety, labeling, storing, packaging, recordkeeping, reporting, advertising, promoting, distributing, marketing, and importing or exporting of medical devices and products. In general, unless an exemption applies, a medical device or product must receive regulatory approval or clearance before it can be marketed or sold. Modifications to existing products or the marketing of new uses for existing products also may require regulatory approvals, approval supplements, or clearances. If we are unable to obtain these required approvals, we may be required to cease manufacturing and sale, or recall or restrict the use of such modified device, pay fines, or take other action until such time as appropriate clearance or approval is obtained.

Regulatory agencies may refuse to grant approval or clearance, or review and disagree with our interpretation of approvals or clearances, or with our decision that regulatory approval is not required or has been maintained. Regulatory submissions may require the provision of additional data and may be time consuming and costly, and their outcome is uncertain. Regulatory agencies may also change policies, adopt additional regulations, or revise existing regulations, each of which could prevent or delay approval or clearance of devices, or could impact our ability to market a previously cleared, approved, or unregulated device. Our failure to comply with these regulatory requirements of the FDA or other applicable regulatory requirements in the United States or elsewhere might subject us to administratively or judicially imposed sanctions. These sanctions include, among others, warning letters, fines, civil penalties, criminal penalties, injunctions, debarment, product seizure or detention, product recalls and total or partial suspension of production, sale and/or promotion. Any of the foregoing actions could result in decreased sales including as a result of negative publicity and product liability claims, and could have a material adverse effect on our financial condition, results of operations, and prospects. In addition to the sanctions for noncompliance described above, commencement of an enforcement proceeding, inspection, or investigation could divert substantial management attention from the operation of our business and have an adverse effect on our business, results of operations, and financial condition.

We are also subject to various United States and foreign laws pertaining to health care pricing, anti-corruption, and fraud and abuse, including prohibitions on kickbacks and the submission of false claims laws and restrictions on relationships with physicians and other referral sources. These laws are broad in scope and are subject to evolving interpretation, which could require us to incur substantial costs to monitor compliance. If we are found not to be in compliance, we may be required to alter our practices or have sanctions imposed against us and our officers and employees, including substantial fines, imprisonment, and exclusion from participation in governmental health care programs.

In addition, as a global company, we are subject to global data privacy and security laws, regulations and codes of conduct that apply to our businesses. We are required to comply with increasingly complex and changing legal and regulatory requirements that govern the collection, use, storage, security, transfer, disclosure and other processing of personal data in the United States and in other countries, which may include, but are not limited to, The Health Insurance Portability and Accountability Act, as amended ("HIPAA"), The Health Information Technology for Economic and Clinical Health Act, the California Consumer Privacy Act ("CCPA"), and the European Union's General Data Protection Regulation ("GDPR"). The GDPR imposes stringent European Union data protection requirements and provides for significant penalties for noncompliance. HIPAA also imposes stringent data privacy and security requirements and the regulatory authority has imposed

significant fines and penalties on organizations found to be out of compliance. CCPA provides consumers with a private right of action against companies who have a security breach due to lack of appropriate security measures. We or our third-party providers and business partners may also be subjected to audits or investigations by one or more domestic or foreign government agencies relating to compliance with information security and privacy laws and regulations, and noncompliance with the laws and regulations could result in substantial and material fines or class action litigation.

Additional risks related to government regulation are also described under "*Health Care Legislation and Other Regulations*" in the risk factor above titled "*Because we operate globally, our business is subject to a variety of risks associated with international sales and operations.*"

We may incur losses from product liability or other claims that could adversely affect our operating results.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of medical technologies. Our products are often used in surgical and intensive care settings with seriously ill patients. In addition, many of the devices we manufacture and sell are designed to be implanted in the human body for long periods of time. Component failures, manufacturing and assembly flaws, design defects, software defects, medical procedure errors, or inadequate disclosure of product-related risks or information could result in an unsafe condition, injury to, or death of, patients. Such problems could result in product liability, medical malpractice or other lawsuits and claims, safety alerts, or product recalls in the future. We establish reserves and may incur charges in excess of those reserves. Although we maintain product liability and other insurance with coverages we believe are adequate, product liability or other claims may exceed insurance coverage limits, fines, and penalties. In addition, regulatory sanctions may not be covered by insurance, or insurance may not continue to be available or available on commercially reasonable terms. These litigation matters and regulatory actions, recalls or other actions, regardless of outcome, could have a material adverse effect on our business, reputation, and ability to attract and retain customers.

Use of our products in unapproved circumstances could expose us to liabilities.

The marketing approval from the FDA and other regulators of certain of our products are, or are expected to be, limited to specific indications. We are prohibited from marketing or promoting any unapproved use of our products. Physicians, however, can use these products in ways or circumstances other than those strictly within the scope of the regulatory approval. Although the product training we provide to physicians and other health care professionals is conducted in compliance with applicable laws, and therefore, is mainly limited to approved uses or for clinical trials, no assurance can be given that claims might not be asserted against us if our products are used in ways or for procedures that are not approved.

Our operations are subject to environmental, health, and safety regulations that could result in substantial costs.

Our operations are subject to environmental, health, and safety laws, and regulations concerning, among other things, the generation, handling, transportation, and disposal of hazardous substances or wastes, the cleanup of hazardous substance releases, and emissions or discharges into the air or water. We have incurred and may incur in the future expenditures in connection with environmental, health and safety laws, and regulations. New laws and regulations, violations of these laws or regulations, stricter enforcement of existing requirements, or the discovery of previously unknown contamination could require us to incur costs or could become the basis for new or increased liabilities that could be material.

Climate change, or legal, regulatory or market measures to address climate change, may materially adversely affect our financial condition and business operations.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present risks to our future operations from natural disasters and extreme weather conditions, such as hurricanes, tornadoes, seismic events, wildfires, or flooding. Such extreme weather conditions could pose physical risks to our facilities and disrupt operation of our supply chain and may impact operational costs. Concern over climate change could result in new legal or regulatory requirements designed to mitigate the effects of climate change on the environment. If such laws or regulations are more stringent than current legal or regulatory requirements, we may experience increased compliance burdens and costs to meet the regulatory obligations, and it may adversely affect our raw material sourcing, manufacturing operations, and the distribution of our products.

We are subject to risks arising from concerns and/or regulatory actions relating to animal borne illnesses, including "mad cow disease."

Certain of our products, including pericardial tissue valves, are manufactured using bovine tissue. Concerns relating to the potential transmission of animal borne illnesses, including BSE, commonly known as "mad cow disease," from cows to humans may result in reduced acceptance of products containing bovine materials. Certain medical device regulatory agencies have considered whether to continue to permit the sale of medical devices that incorporate bovine material. We obtain bovine tissue

only from closely controlled sources within the United States and Australia. The bovine tissue used in our pericardial tissue valves is from tissue types considered by global health and regulatory organizations to have shown no risk of infectibility for the suspected BSE infectious agent. We have not experienced any significant adverse impact on our sales as a result of concerns regarding BSE, but no assurance can be given that such an impact may not occur in the future.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The locations and uses of our major properties are as follows:

North America		
Irvine, California	(1)	Corporate Headquarters, Research and Development, Regulatory and Clinical Affairs, Manufacturing, Marketing, Administration
Draper, Utah	(1),(2)	Manufacturing, Administration
Haina, Dominican Republic	(1),(2)	Manufacturing
Añasco, Puerto Rico	(2)	Manufacturing
Central America		
Cartago, Costa Rica	(1),(2)	Manufacturing
Europe		
Nyon, Switzerland	(1)	Administration, Marketing
Prague, Czech Republic	(2)	Administration
Shannon, Limerick, Ireland	(1),(2)	Manufacturing
Asia		
Singapore	(1),(2)	Manufacturing, Distribution, Administration
Tokyo, Japan	(2)	Administration, Marketing, Distribution
Shanghai, China	(2)	Administration, Marketing
Caesarea, Israel	(2)	Research and Development

(1) Owned property.

(2) Leased property.

The Draper, Utah lease expires in 2031; the Dominican Republic lease expires in 2022; the Puerto Rico property has two leases that expire in 2023; the Costa Rica lease expires in 2026; the Prague, Czech Republic lease expires in 2026; the Shannon, Ireland lease expires in 2024; the Tokyo, Japan lease expires in 2024; the Shanghai, China lease expires in 2024; Singapore has one land lease that expires in 2036 and one that expires in 2041; and the Caesarea, Israel lease expires in 2030. We believe our properties have been well maintained, are in good operating condition, and are adequate for current needs. We do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

Item 3. Legal Proceedings

For a description of our material pending legal proceedings, please see Note 18 to the "*Consolidated Financial Statements*" of this Annual Report on Form 10-K, which is incorporated by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "EW."

Number of Stockholders

On January 31, 2022, there were 8,413 stockholders of record of our common stock.

Dividends

We have never paid any cash dividends on our capital stock and have no current plans to pay any cash dividends. Our current policy is to retain any future earnings for use in our business.

Issuer Purchases of Equity Securities

Period	Total Number of Shares (or Units) Purchased (a)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (b)
October 1, 2021 through October 31, 2021	—	$ —	—	$ 1,222.7
November 1, 2021 through November 30, 2021	458,862	114.46	456,745	1,170.4
December 1, 2021 through December 31, 2021	401,444	109.58	401,444	1,126.4
Total	860,306	112.18	858,189	

(a) The difference between the total number of shares (or units) purchased and the total number of shares (or units) purchased as part of publicly announced plans or programs is due to shares withheld by us to satisfy tax withholding obligations in connection with the vesting of restricted stock units issued to employees.

(b) On May 8, 2019, the Board of Directors approved a stock repurchase program authorizing us to purchase up to $1.0 billion of our common stock. On May 4, 2021, the Board of Directors approved a new stock repurchase program providing for an additional $1.0 billion of repurchases of our common stock. Repurchases under the programs may be made on the open market, including pursuant to a Rule 10b5-1 plan, and in privately negotiated transactions. These repurchase programs do not have an expiration date.

Performance Graph

The following graph compares the performance of our common stock with that of the S&P 500 Index and the S&P 500 Health Care Equipment Index. The cumulative total return listed below assumes an initial investment of $100 at the market close on December 31, 2016 and reinvestment of dividends. Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

	Total Cumulative Return				
	2017	2018	2019	2020	2021
Edwards Lifesciences	**$ 120.29**	**$ 163.47**	**$ 248.98**	**$ 292.09**	**$ 414.78**
S&P 500	**121.83**	**116.49**	**153.17**	**181.35**	**233.41**
S&P 500 Health Care Equipment	**130.90**	**152.15**	**196.77**	**231.46**	**276.26**

Item 6. [Reserved]

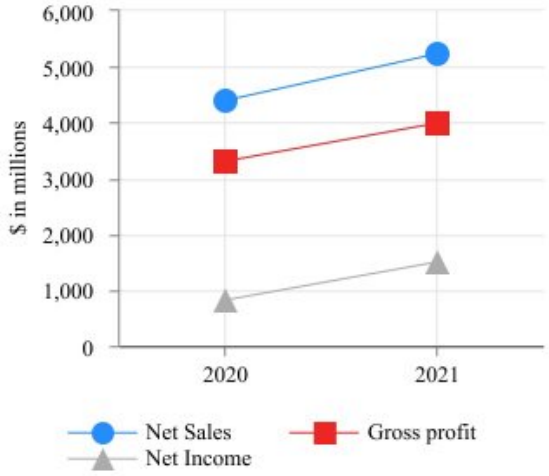
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

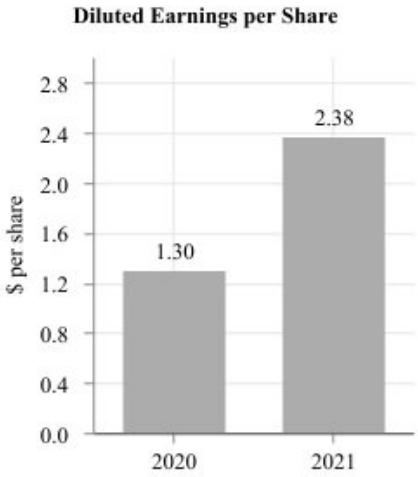
The following discussion and analysis presents the factors that had a material effect on our results of operations during the two years ended December 31, 2021. Also discussed is our financial position as of December 31, 2021. You should read this discussion in conjunction with the historical consolidated financial statements and related notes included elsewhere in this Form 10-K. For a discussion related to the results of operations for 2020 compared to 2019 and a discussion related to our consolidated cash flows for 2020 compared to 2019, refer to Part II, Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in our 2020 Annual Report on Form 10–K filed with the Securities and Exchange Commission on February 12, 2021.

Overview

We are the global leader in patient-focused medical innovations for structural heart disease and critical care monitoring. Driven by a passion to help patients, we partner with the world's leading clinicians and researchers and invest in research and development to transform care for those impacted by structural heart disease or who require hemodynamic monitoring during surgery or in intensive care. We conduct operations worldwide and are managed in the following geographical regions: United States, Europe, Japan, and Rest of World. Our products are categorized into the following areas: Transcatheter Aortic Valve Replacement ("TAVR"), Transcatheter Mitral and Tricuspid Therapies ("TMTT"), Surgical Structural Heart ("Surgical"), and Critical Care.

Financial Highlights and COVID-19





The COVID-19 pandemic has adversely impacted, and may further adversely impact, nearly all aspects of our business and markets, including our workforce and the operations of our customers, suppliers, and business partners. Our priority has been to maintain access for patients to our life-saving technologies while providing continuous front-line support to our clinician partners, and protecting the well-being of our employees. Our manufacturing operations have continued to respond to impacts related to COVID-19, and we have been able to supply our technologies around the world. Across the organization, we are proactively managing inventory, assessing alternative logistics options, and closely monitoring the supply of components.

TAVR and Surgical procedure volumes varied greatly since the middle of March 2020 by geography, and even by hospital, as patients and their physicians analyzed the trade-off between aortic stenosis and their concern for COVID-19. In the last few weeks of the first quarter of 2020, procedure volumes related to our TAVR and Surgical products dropped significantly. Beginning in the second quarter of 2020, procedure volumes improved. In the second quarter of 2020, we also started to progressively resume patient enrollment in all clinical trials that were voluntarily paused or slowed at the end of the first quarter of 2020. While we saw improvements to pre-COVID levels when we resumed enrollment, procedure volumes and enrollment in our clinical trials were negatively impacted in late 2020 due to a resurgence of COVID-19. In Critical Care, during 2020 there was greater demand in Europe and the United States for our pressure monitoring products, but demand for

other Critical Care products began to decrease at the end of the first quarter of 2020 due to decreased hospital spending related to COVID-19, and that trend continued through the fourth quarter of 2020.

During the first quarter of 2021, COVID-19 stressed the global healthcare system during the winter months. However, we saw strong recovery beginning in the second quarter of 2021 as widespread vaccine adoption contributed to an increased number of patients. However, the Delta variant had a significant impact on hospital resources during the last two months of the third quarter of 2021, and the Omicron variant had a significant impact during December 2021, especially in the United States.

Despite the challenges associated with COVID-19, our net sales for 2021 were $5.2 billion, representing an increase of $846.2 million over 2020, driven by sales growth of our TAVR products. During the first half of 2021, United States TAVR procedures began to grow as COVID-19 hospitalizations decreased and vaccinations increased. However, TAVR sales were negatively impacted in the second half of 2021 as United States procedures declined due to the significant impact the Delta and Omicron variants had on hospital resources. Surgical sales grew during 2021 due to increased adoption of our premium high-value technologies around the world and rebounding surgical aortic treatment rates in the United States. We also saw an increased demand for our Critical Care products in 2021 as hospital capital spending continued to show signs of recovery and elevated COVID hospitalizations in the United States and Europe increased demand for our pressure monitoring devices.

Our gross profit increase in 2021 was driven by our sales growth and lower incremental costs associated with COVID-19. The increase in our diluted earnings per share in 2021 was driven by our gross profit increase and an after-tax charge of $305.1 million in 2020 to settle certain patent litigation related to transcatheter mitral and tricuspid repair products.

We are closely monitoring the impact of COVID-19 on all aspects of our business and geographies, including its impact on our customers, employees, suppliers, vendors, business partners and distribution channels. The extent to which COVID-19 and measures taken in response thereto impact our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and are difficult to predict. These developments include, but are not limited to, the duration and spread of the outbreak (including new and more contagious variants of COVID-19), its severity, the actions to contain the virus or address its impact, the timing, distribution, public acceptance and efficacy of vaccines and other treatments, United States and foreign government actions to respond to the reduction in global economic activity, and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 outbreak has subsided, we may continue to experience materially adverse impacts on our financial condition and results of operations.

Healthcare Environment, Opportunities, and Challenges

The medical technology industry is highly competitive and continues to evolve. Our success is measured both by the development of innovative products and the value we bring to our stakeholders. We are committed to developing new technologies and providing innovative patient care, and we are committed to defending our intellectual property in support of those developments. Despite the challenges of the COVID-19 pandemic, our dedicated field teams found creative ways to support physicians, our engineers continued to advance innovation, and our colleagues worked diligently to keep our clinical trials on track. In 2021, we invested 17.3% of our net sales in research and development. The following is a summary of important developments during 2021:

- we received United States Food and Drug Administration ("FDA") clearance for the *Acumen Hypotension Prediction Index* software with the *Acumen IQ* finger cuff. This is the first noninvasive solution that uses machine learning to alert clinicians of the likelihood a patient is trending toward hypotension, or low blood pressure;
- we received FDA approval for the use of the *Edwards SAPIEN 3* transcatheter valve with the *Alterra* adaptive prestent for patients with severe pulmonary regurgitation;
- we completed enrollment in EARLY TAVR, a pivotal trial studying the treatment of severe aortic stenosis patients before their symptoms develop, and CLASP IID, a pivotal trial studying *Edwards PASCAL* in patients with degenerative mitral regurgitation;
- we received CE Mark approval to begin treating patients with a previously repaired or replaced valve in the pulmonic position;
- we received regulatory approval in Japan for our *MITRIS* valve, a new mitral valve incorporating *RESILIA* technology; and
- we received FDA approval for our ALLIANCE pivotal trial to study our next generation TAVR technology, *SAPIEN X4*.

We are dedicated to generating robust clinical, economic, and quality-of-life evidence increasingly expected by patients, clinicians, and payors in the current healthcare environment, with the goal of encouraging the adoption of innovative new medical therapies that demonstrate superior outcomes.

Results of Operations

Net Sales by Major Regions
(dollars in millions)

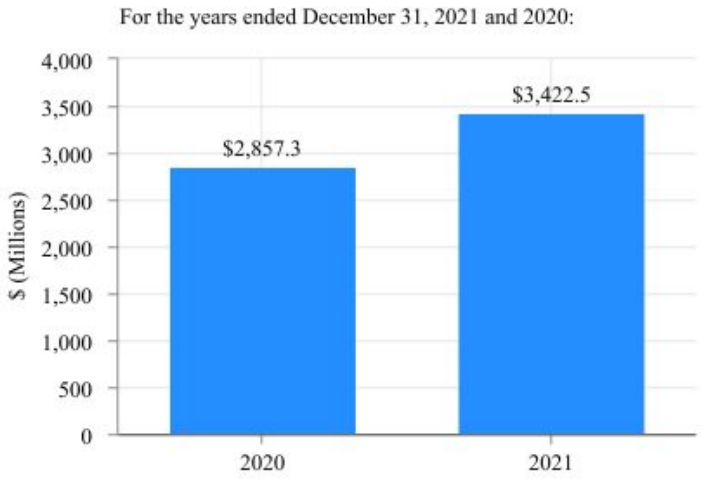
	Years Ended December 31,		Change	
	2021	2020	$	%
United States	$ 2,963.1	$ 2,516.8	$ 446.3	17.7 %
Europe	1,190.3	973.6	216.7	22.3 %
Japan	528.9	460.1	68.8	15.0 %
Rest of World	550.2	435.8	114.4	26.3 %
Outside of the United States	2,269.4	1,869.5	399.9	21.4 %
Total net sales	$ 5,232.5	$ 4,386.3	$ 846.2	19.3 %

Net sales outside of the United States include the impact of foreign currency exchange rate fluctuations. The impact of foreign currency exchange rate fluctuations on net sales is not necessarily indicative of the impact on net income due to the corresponding effect of foreign currency exchange rate fluctuations on international manufacturing and operating costs, and our hedging activities. For more information, see *"Quantitative and Qualitative Disclosures About Market Risk."*

Net Sales by Product Group
(dollars in millions)

	Years Ended December 31,		Change	
	2021	2020	$	%
Transcatheter Aortic Valve Replacement	$ 3,422.5	$ 2,857.3	$ 565.2	19.8 %
Transcatheter Mitral and Tricuspid Therapies	86.0	41.8	44.2	105.5 %
Surgical Heart Valve Therapy	889.1	761.8	127.3	16.7 %
Critical Care	834.9	725.4	109.5	15.1 %
Total net sales	$ 5,232.5	$ 4,386.3	$ 846.2	19.3 %

Transcatheter Aortic Valve Replacement



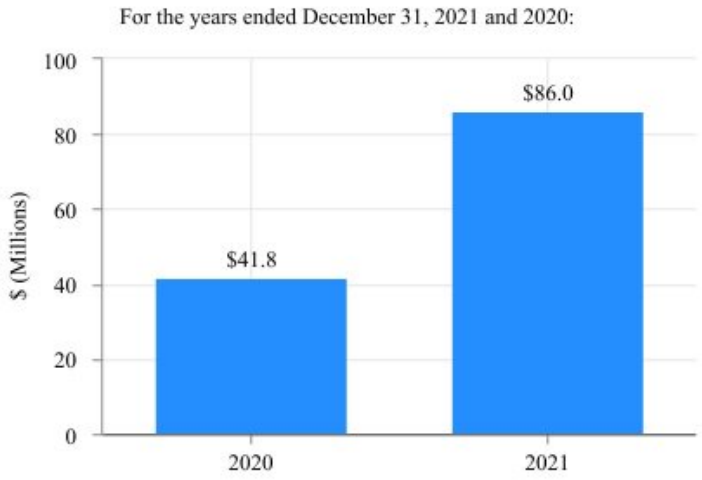
The increase in net sales of TAVR products was driven by:

- higher sales of the *Edwards SAPIEN* platform in 2021 in the United States, Europe, and Japan driven by improved COVID-19 conditions compared to 2020. Sales, however, were negatively impacted in the second half of 2021 as United States procedures declined due to the significant impact COVID had on hospital resources; and

- foreign currency exchange rate fluctuations, which increased net sales outside of the United States by $33.9 million primarily due to the strengthening of the Euro against the United States dollar.

In the second quarter of 2021, we (1) received approval for a United States pivotal trial for TAVR in moderate aortic stenosis patients, (2) received approval in Japan to begin treating low-risk patients with *SAPIEN 3*, and (3) received *SAPIEN 3* CE Mark approval to begin treating patients with a previously repaired or replaced valve in the pulmonic position. In the fourth quarter of 2021, we (1) completed enrollment of our EARLY TAVR pivotal trial, which is focused on the treatment of asymptomatic aortic stenosis patients, (2) initiated enrollment in our PROGRESS pivotal trial for moderate aortic stenosis patients, (3) received FDA approval for our ALLIANCE pivotal trial to study our next generation TAVR device, *SAPIEN X4*, and (4) received FDA approval for the use of the *Edwards SAPIEN 3* transcatheter valve with the *Alterra* adaptive prestent for congenital heart patients. The *Alterra* prestent compensates for variations in size and morphology of the right ventricular outflow tract to provide a stable landing zone for the *SAPIEN 3* valve.

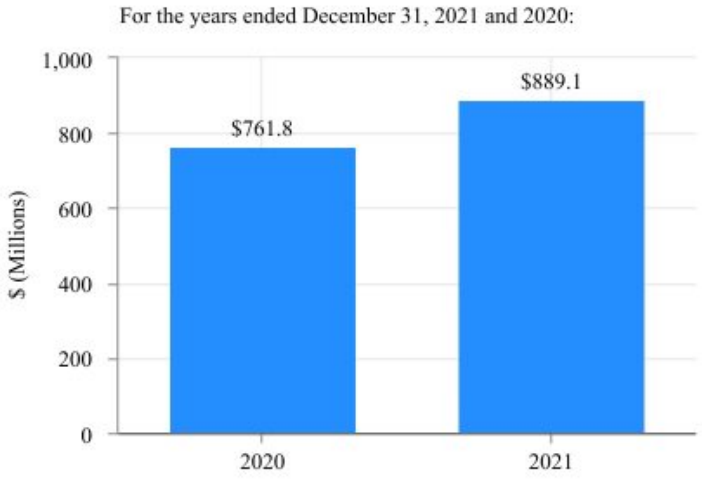
Transcatheter Mitral and Tricuspid Therapies



The increase in net sales of TMTT products was due primarily to improved COVID-19 conditions compared to 2020 and continued adoption of our *PASCAL* system in Europe.

In the fourth quarter of 2021, we completed enrollment of our CLASP IID pivotal trial studying *Edwards PASCAL* in patients with degenerative mitral regurgitation. We continued to treat patients with both of our transcatheter mitral replacement therapies through the ENCIRCLE trial for *SAPIEN M3* and the MISCEND study for *EVOQUE Eos.* The MISCEND study will evaluate the safety and performance of *EVOQUE Eos*, which is designed to advance the treatment of patients with mitral regurgitation with a low-profile valve delivered through a sub 30 French transfemoral delivery system. We also began treating patients with *EVOQUE* in the TRISCEND II pivotal trial. This study will evaluate the safety and effectiveness of the *EVOQUE* tricuspid valve replacement system for patients with severe tricuspid regurgitation.

Surgical Structural Heart

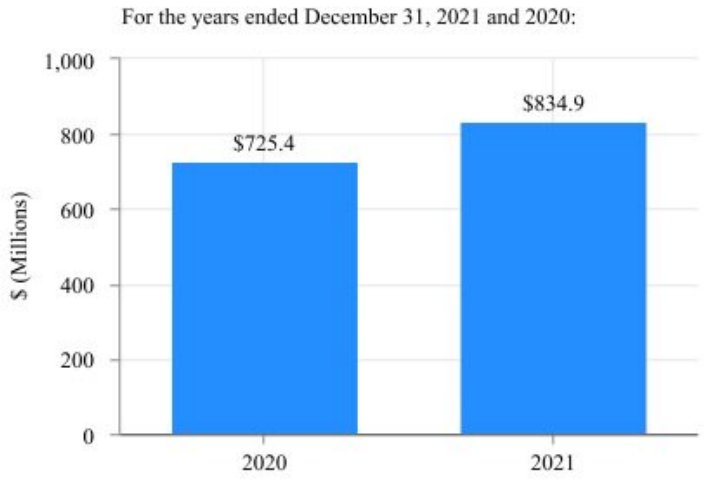


The increase in net sales of Surgical products was due primarily to improved COVID-19 conditions compared to 2020 and increased sales of the *INSPIRIS RESILIA* aortic valve and the *KONECT* aortic valved conduit, primarily in the United States. In

addition, foreign currency exchange rate fluctuations increased net sales outside of the United States by $13.1 million primarily due to the strengthening of the Euro against the United States dollar.

In January 2021, we received regulatory approval in Japan for our *MITRIS* valve, a new mitral valve incorporating *RESILIA* technology, which was launched in Japan during the second quarter of 2021.

Critical Care



The increase in net sales of Critical Care products was driven by:

- increased demand for our capital products, primarily *Hemosphere* platforms in the United States, as hospital capital spending continued to show signs of recovery;
- increased demand for our pressure monitoring products due to elevated COVID hospitalizations, primarily in the United States;
- increased demand for our enhanced surgical recovery products, primarily in the United States; and
- foreign currency exchange rate fluctuations, which increased net sales outside of the United States by $9.0 million primarily due to the strengthening of the Euro against the United States dollar.

In June 2021, we received FDA clearance for the *Acumen Hypotension Prediction Index* software with the *Acumen IQ* finger cuff. This is the first noninvasive solution that uses machine learning to alert clinicians of the likelihood a patient is trending toward hypotension, or low blood pressure.

Gross Profit

The increase in gross profit as a percentage of net sales in 2021 compared to 2020 was driven primarily by:

- a 0.5 percentage point increase in the United States due to an improved product mix, driven by TAVR products; and
- lower incremental costs associated with COVID-19;

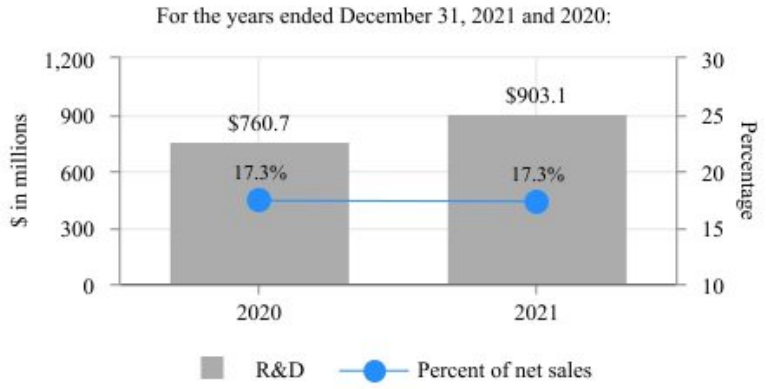
partially offset by:

- a 0.5 percentage point decrease due to the impact of foreign currency exchange rate fluctuations, including the settlement of foreign currency hedging contracts.

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

SG&A expenses increased in 2021 compared to 2020 due primarily to (1) increased commercial activities, primarily in the United States and Europe, compared to the COVID-19 impacted prior year, (2) higher personnel-related costs, and (3) the impact of foreign currency exchange rate fluctuations, which increased expenses by $22.2 million due primarily to the strengthening of the Euro against the United States dollar.

Research and Development ("R&D") Expenses



R&D expenses increased in 2021 compared to 2020 due primarily to continued investments in our transcatheter innovations. Clinical trial activity also increased compared to 2020 since spending in 2020 was reduced as we temporarily paused certain mitral and tricuspid active pivotal clinical trials at the end of the first quarter of 2020 due to COVID-19.

Intellectual Property Litigation Expenses, net

We incurred intellectual property litigation expenses, including settlements and external legal costs, of $20.6 million and $405.4 million during 2021 and 2020, respectively. On July 12, 2020, we reached an agreement with Abbott Laboratories and its direct and indirect subsidiaries ("Abbott") to, among other things, settle all outstanding patent disputes between the companies (the “Settlement Agreement”) in cases related to transcatheter mitral and tricuspid repair products. The Settlement Agreement resulted in us recording an estimated $367.9 million pre-tax charge and related liability in June 2020 related to past damages. In addition, we will incur royalty expenses through May 2024 totaling an estimated $100 million. We made a one-time $100.0 million payment to Abbott in July 2020, and are making quarterly payments in subsequent years. For further information, see Note 3 to the "*Consolidated Financial Statements.*"

Change in Fair Value of Contingent Consideration Liabilities, net

The change in fair value of contingent consideration liabilities resulted in income of $124.1 million in 2021 and expense of $13.6 million in 2020. The income in 2021 was driven by changes in the projected probability and timing of milestone achievements and the projected timing of cash inflows. The expense in 2020 was primarily driven by the accretion of interest due to the passage of time and adjustments to discount rates, partially offset by changes in the projected probability and timing of milestone achievements and the projected timing of cash inflows.

Special Charges

For information on special charges, see Note 4 to the "*Consolidated Financial Statements.*"

Interest Expense

Interest expense was $18.4 million and $15.8 million in 2021 and 2020, respectively. The increase in interest expense resulted primarily from lower capitalized interest due to decreased facilities construction.

Interest Income

Interest income was $17.4 million and $23.4 million in 2021 and 2020, respectively. The decrease in interest income resulted primarily from lower average yield, partially offset by a higher average investment balance.

Other Income, net
(in millions)

	Years Ended December 31,	
	2021	2020
Foreign exchange gains, net	$ (5.0)	$ (12.3)
Gain on investments	(5.8)	(0.6)
Non-service cost components of net periodic pension benefit cost	0.3	0.4
Other	(2.2)	1.0
Total other income, net	$ (12.7)	$ (11.5)

The net foreign exchange gains relate to the foreign currency fluctuations on our global trade and intercompany receivable and payable balances, partially offset by the gains and losses on non-designated derivative instruments.

The gain on investments primarily represents our net share of gains and losses in investments accounted for under the equity method, and realized gains and losses on investments in equity securities.

The non-service cost components of net periodic pension benefit cost includes the costs of our defined benefit plans that are not attributed to services rendered by eligible employees during the year, such as interest costs, expected return on plan assets, and amortization of actuarial gains or losses.

Provision for Income Taxes
($ in millions)

	Years Ended December 31,		Change	
	2021	2020	$	%
Provision for income taxes	$ 198.9	$ 93.3	$ 105.6	113.2 %
Effective tax rate	11.7 %	10.2 %		

Our effective income tax rate in 2021 and 2020 was 11.7% and 10.2%, respectively. Our effective tax rate for 2021 increased in comparison to 2020 primarily due to the impact of the litigation settlement agreement reached in 2020 with Abbott to settle all outstanding patent disputes and the decrease in the excess tax benefit from employee share-based compensation, partially offset by the tax benefit from the change in fair value of contingent consideration liabilities.

In 2021, the difference between our 11.7% effective tax rate and the Federal statutory rate of 21% was primarily due to (1) foreign earnings taxed at lower rates net of the United States tax on global intangible low-taxed income, (2) Federal and California research and development credits, (3) the excess tax benefit from employee share-based compensation and (4) the tax benefit from the change in fair value of contingent consideration liabilities.

As of December 31, 2021, we had $167.0 million of California research expenditure tax credits that we expect to use in future periods. The credits may be carried forward indefinitely. Based upon anticipated future taxable income, we expect that it is more likely than not that all California research expenditure tax credits will be utilized, although the utilization of the full benefit is expected to occur over a number of years into the distant future.

As of December 31, 2021, our gross uncertain tax positions were $358.4 million. We estimate that these liabilities would be reduced by $135.1 million from offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, state income taxes, and timing adjustments. The net amount of $223.3 million, if not required, would favorably affect our effective tax rate.

In the normal course of business, the Internal Revenue Service ("IRS") and other taxing authorities are in different stages of examining various years of our tax filings. During these audits, we may receive proposed audit adjustments that could be material. Therefore, there is a possibility that an adverse outcome in these audits could have a material effect on our results of operations and financial condition. We strive to resolve open matters with each tax authority at the examination level and could reach agreement with a tax authority at any time. While we have accrued for matters we believe are more likely than not to require settlement, the eventual outcome with a tax authority may result in a tax liability that is more or less than that reflected in the consolidated financial statements. Furthermore, we may later decide to challenge any assessments, if made, and may exercise our right to appeal. The uncertain tax positions are reviewed quarterly and adjusted as events occur that affect potential

liabilities for additional taxes, such as lapsing of applicable statutes of limitations, proposed assessments by tax authorities, negotiations between tax authorities, identification of new issues, and issuance of new legislation, regulations, or case law. We believe that adequate amounts of tax and related penalty and interest have been provided in income tax expense for any adjustments that may result from our uncertain tax positions.

At December 31, 2021, all material state, local, and foreign income tax matters have been concluded for years through 2015. While not material, we continue to address matters in India for years from 2010.

We executed an Advance Pricing Agreement ("APA") in 2018 between the United States and Switzerland governments for tax years 2009 through 2020 covering various, but not all, transfer pricing matters. The unagreed transfer pricing matters, namely Surgical Structural Heart and Transcatheter Aortic Valve Replacement (collectively "Surgical/TAVR") intercompany royalty transactions, then reverted to IRS Examination for further consideration as part of the respective years' regular tax audits. In addition, we executed other bilateral APAs as follows: during 2017, an APA between the United States and Japan covering tax years 2015 through 2019; and during 2018, APAs between Japan and Singapore and between Switzerland and Japan covering tax years 2015 through 2019. We have filed to renew all of the APAs which cover transactions with Japan for the years 2020 and forward. The execution of some or all these APA renewals depends on many variables outside of our control.

Our United States federal income tax returns through 2014 have been audited. The IRS began its examination of the 2015 and 2016 tax years during the fourth quarter of 2018 and later added the 2017 tax year to this audit cycle during the first quarter of 2019. The IRS audit field work for the 2015-2017 tax years was substantially completed during the fourth quarter of 2020, except for transfer pricing and related matters.

During the second quarter of 2021, we received a Notice of Proposed Adjustment ("NOPA") from the IRS for the 2015-2017 tax years relating to transfer pricing involving certain Surgical/TAVR intercompany royalty transactions between our United States and Switzerland subsidiaries. During the third quarter of 2021, we completed our review of the NOPA and provided comments to the IRS and the IRS subsequently revised the NOPA. The revised NOPA proposes an increase to our United States taxable income which could result in additional tax expense for this period of approximately $180 million and represents a significant change to previously agreed upon transfer pricing methodologies for these types of transactions.

We have formally disagreed with the NOPA and have submitted a formal protest on the matter to the IRS Independent Office of Appeals during the fourth quarter of 2021. We also have received the final Revenue Agent's Report for these tax years. We continue to evaluate all possible remedies available to us, which could take several years to resolve. No payment of any amount related to the NOPA is required to be made, if at all, until all applicable proceedings have been completed. We believe the amounts previously accrued related to this uncertain tax position are sufficient and, accordingly, have not accrued any additional amount based on the NOPA received.

Certain Surgical/TAVR intercompany royalty transactions covering tax years 2015 - 2021 that were not resolved under the APA program remain subject to IRS examination, and those transactions and related tax positions remain uncertain as of December 31, 2021. We have considered this information, as well as information regarding the NOPA described above, in our evaluation of our uncertain tax positions. The impact of these unresolved transfer pricing matters, net of any correlative repatriation tax adjustment, may be significant to our consolidated financial statements. Based on the information currently available and numerous possible outcomes, we cannot reasonably estimate what, if any, changes in our existing uncertain tax positions may occur in the next 12 months and, therefore, have continued to record the uncertain tax positions as a long-term liability.

We have received tax incentives in certain non-United States tax jurisdictions, the primary benefit for which will expire in 2029. The tax reductions as compared to the local statutory rates were $208.0 million ($0.33 per diluted share) and $189.2 million ($0.30 per diluted share) for the years ended December 31, 2021 and 2020, respectively.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 (the "2017 Act"), which was signed into law on December 22, 2017, eliminates the option to deduct research and development expenditures currently and requires taxpayers to amortize domestic expenditures over five years and foreign expenditures over fifteen years. Although Congress is considering legislation that would defer the amortization requirement to later years, we have no assurance that the provision will be repealed or otherwise modified. If the requirement is not modified, it will materially reduce our cash flows beginning in 2022.

Liquidity and Capital Resources

Our sources of cash liquidity include cash and cash equivalents, short-term investments, cash from operations, and amounts available under credit facilities. We believe that these sources are sufficient to fund the current and long-term requirements of working capital, capital expenditures, and other financial commitments. However, we periodically consider various financing alternatives and may, from time to time, seek to take advantage of favorable interest rate environments or other market conditions.

The 2017 Act included extensive changes to the international tax regime. The 2017 Act required a deemed repatriation of post-1986 undistributed foreign earnings and profits. The one-time transition tax liability, as adjusted, is payable in four remaining annual installments, as outlined in the contractual obligations table below. As of December 31, 2021, we had a remaining tax obligation of $213.1 million related to the deemed repatriation. See Note 17 to the "*Consolidated Financial Statements*" for additional information about the one-time transition tax.

As of December 31, 2021, cash and cash equivalents and short-term investments held in the United States and outside of the United States were $903.4 million and $563.4 million, respectively. During 2021, we repatriated cash of $1.1 billion. We assert that $1.0 billion of our foreign earnings continue to be permanently reinvested and our intent is to repatriate $392.9 million of our foreign earnings as of December 31, 2021.

We have a Five-Year Credit Agreement ("the Credit Agreement") which matures on April 28, 2023. The Credit Agreement provides up to an aggregate of $750.0 million in borrowings in multiple currencies. Subject to certain terms and conditions, we may increase the amount available under the Credit Agreement by up to an additional $250.0 million in the aggregate. As of December 31, 2021, there were no borrowings outstanding under the Credit Agreement. The Credit Agreement is unsecured and contains various financial and other covenants, including a maximum leverage ratio, as defined in the Credit Agreement. The Company was in compliance with all covenants at December 31, 2021.

In June 2018, we issued $600.0 million of 4.3% fixed-rate unsecured senior notes (the "2018 Notes") due June 15, 2028. We may redeem the 2018 Notes, in whole or in part, at any time and from time to time at specified redemption prices. As of December 31, 2021, we have not elected to redeem any of the 2018 Notes. As of December 31, 2021, the total carrying value of our 2018 Notes was $595.7 million. For further information on our debt, see Note 10 to the "*Consolidated Financial Statements*."

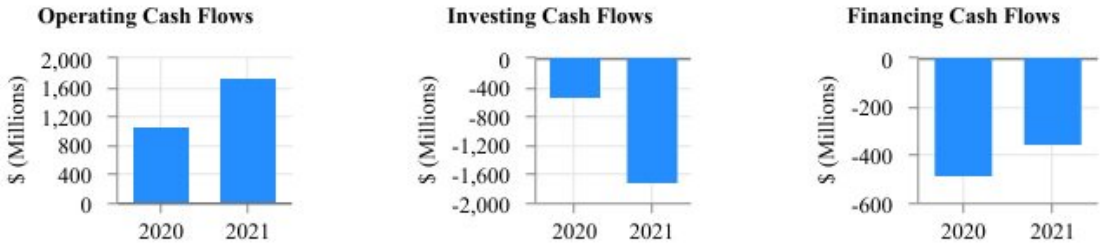
From time to time, we repurchase shares of our common stock under share repurchase programs authorized by the Board of Directors. We consider several factors in determining when to execute share repurchases, including, among other things, expected dilution from stock plans, cash capacity, and the market price of our common stock. During 2021, under the Board authorized repurchase programs, we repurchased a total of 5.6 million shares at an aggregate cost of $498.5 million, and as of December 31, 2021, we had remaining authority to purchase $1.1 billion of our common stock. In January 2022, we entered into an accelerated share repurchase agreement to repurchase $250.0 million of our common stock. For further information, see Notes 14 and 21 to the "*Consolidated Financial Statements*."

Certain of our business acquisitions involve contingent consideration arrangements. Payment of additional consideration in the future may be required, contingent upon the acquired business reaching certain performance milestones, such as attaining specified revenue levels or obtaining regulatory approvals. For further information, see Note 11 to the "*Consolidated Financial Statements.*"

In April 2021, we purchased an exclusive option to acquire a medical device company (the "Investee") for up to approximately $390 million, depending on the paid-in capital at closing. Per the agreement, depending on the Investee's achievement of certain milestones, we may be required to invest up to an additional $9.9 million in the Investee's equity securities and up to an additional $21.8 million for the option to acquire the Investee, of which we invested $10.8 million in 2021 upon achievement of the first milestone. We also agreed to loan the Investee up to $45 million under a secured promissory note. For further information, see Note 7 to the "*Consolidated Financial Statements.*"

On July 12, 2020, we reached the Settlement Agreement with Abbott to settle all outstanding patent disputes between the companies in cases related to transcatheter mitral and tricuspid repair products. The Settlement Agreement resulted in us recording an estimated $367.9 million pretax charge in June 2020 related to past damages. In addition, we will incur royalty expenses through May 2024 totaling an estimated $100 million. We made a one-time $100.0 million payment to Abbott in July 2020, and are making quarterly payments in subsequent years. For further information, see Note 3 to the "*Consolidated Financial Statements.*"

Consolidated Cash Flows - For the twelve months ended December 31, 2021 and 2020



Net cash flows provided by **operating activities** of $1.7 billion for 2021 increased $677.8 million from 2020 due to (1) improved operating performance in 2021, (2) a higher bonus payout in 2020 associated with 2019 performance, and (3) a payment of $100.0 million in 2020 for a litigation settlement.

Net cash used in **investing activities** of $1.7 billion in 2021 consisted primarily of capital expenditures of $325.8 million and net purchases of investments of $1.4 billion.

Net cash used in investing activities of $531.1 million in 2020 consisted primarily of capital expenditures of $407.0 million and net purchases of investments of $87.6 million.

We currently anticipate making capital expenditures of approximately $300 million in 2022 as we continue to invest in our operations.

Net cash used in **financing activities** of $356.3 million in 2021 consisted primarily of purchases of treasury stock of $512.8 million, partially offset by proceeds from stock plans of $158.6 million.

Net cash used in financing activities of $486.9 million in 2020 consisted primarily of purchases of treasury stock of $625.4 million, partially offset by proceeds from stock plans of $140.5 million.

Material Cash Requirements

A summary of our material cash requirements as of December 31, 2021 is as follows (in millions):

	Payments Due by Period				
Contractual Obligations	**Total**	**Year 1**	**Years 2-3**	**Years 4-5**	**After 5 Years**
Debt	$ 600.0	$ —	$ —	$ —	$ 600.0
Operating leases	104.5	27.5	36.6	15.8	24.6
Interest on debt	125.0	20.0	38.6	38.4	28.0
Transition tax on unremitted foreign earnings and profits (a)	213.1	25.1	109.5	78.5	—
Litigation settlement obligation (minimum payments)	212.5	50.0	100.0	62.5	—
Pension obligations (b)	2.2	2.2	—	—	—
Purchase and other commitments (c)	30.1	14.3	10.5	2.9	2.4
Total contractual cash obligations (d), (e)	$ 1,287.4	$ 139.1	$ 295.2	$ 198.1	$ 655.0

(a) As of December 31, 2021, we had recorded $213.1 million of income tax liabilities related to the one-time transition tax that resulted from the enactment of the 2017 Act. The transition tax is due in eight annual installments, with the first four installments paid in 2018 through 2021. The remaining installment amounts will be equal to 8% of the total liability payable in 2022, 15% in 2023, 20% in 2024, and 25% in 2025. See Note 17 to the "*Consolidated Financial Statements*" for additional information about the one-time transition tax.

(b) The amount included in "Less Than 1 Year" reflects anticipated contributions to our various pension plans. Anticipated contributions beyond one year are not determinable. The total accrued benefit liability for our pension plans recognized as of December 31, 2021 was $41.0 million. This amount is impacted by, among other items, pension expense funding levels, changes in plan demographics and assumptions, and investment returns on plan assets. Therefore, we are unable to make a reasonably reliable estimate of the amount and period in which the liability might be paid, and did not include this amount in the contractual obligations table. See Note 13 to the "*Consolidated Financial Statements*" for further information.

(c) Purchase and other commitments consists primarily of open purchase orders for the acquisition of goods and services in the normal course of business. We have excluded open purchase orders with a remaining term of less than one year. For certain purchase and other commitments, such as commitments to fund equity method or other investments, the timing of the payment is not certain. In these cases, the maturity dates in the table reflect our best estimates.

(d) As of December 31, 2021, the gross liability for uncertain tax positions, including interest, was $386.0 million and relates primarily to transfer pricing matters which are discussed in detail in Note 17 to the *"Consolidated Financial Statements."* Based upon the information currently available and numerous possible outcomes, we cannot reasonably estimate the amount and period in which the liability might be paid, and did not include this amount in the contractual obligations table.

(e) We acquire assets still in development, enter into research and development arrangements, acquire businesses, and sponsor certain clinical trials that often require milestone, royalty, or other future payments to third-parties, contingent upon the occurrence of certain future events. In situations where we have no ability to influence the achievement of the milestone or otherwise avoid the payment, we have included those payments in the table above. However, we have excluded from the table contingent milestone payments and other contingent liabilities for which we cannot reasonably predict future payments or for which we can avoid making payment by unilaterally deciding to stop development of a product or cease progress of a clinical trial. We estimate that these contingent payments could be up to $835.0 million if all milestones or other contingent obligations are met. This amount includes certain milestone-based contingent obligations that may be paid through a combination of cash and issuance of common stock, and certain sales-based royalties in excess of minimum payment thresholds related to litigation settlements.

Critical Accounting Policies and Estimates

Our results of operations and financial position are determined based upon the application of our accounting policies, as discussed in the notes to the "*Consolidated Financial Statements*." Certain of our accounting policies represent a selection among acceptable alternatives under GAAP. In evaluating our transactions, management assesses all relevant GAAP and chooses the accounting policy that most accurately reflects the nature of the transactions.

The application of accounting policies requires the use of judgments and estimates. These matters that are subject to judgments and estimates are inherently uncertain, and different amounts could be reported using different assumptions and estimates. Management uses its best estimates and judgments in determining the appropriate amount to reflect in the consolidated financial statements, using historical experience and all available information. We also use outside experts where appropriate. We apply estimation methodologies consistently from year to year.

We believe the following are the critical accounting policies which could have the most significant effect on our reported results and require subjective or complex judgments by management.

Revenue Recognition

When we recognize revenue from the sale of our products, the amount of consideration we ultimately receive varies depending upon the return terms, sales rebates, discounts, and other incentives that we may offer, which are accounted for as variable consideration when estimating the amount of revenue to recognize. The estimate of variable consideration requires significant judgment. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely upon an assessment of historical payment experience, historical relationship to revenues, estimated customer inventory levels, and current contract sales terms with direct and indirect customers. Product returns are typically not significant because returns are generally not allowed unless the product is damaged at time of receipt. If the historical data and inventory estimates used to calculate the variable consideration do not approximate future activity, our financial position, results of operations, and cash flows could be impacted.

In addition, in limited circumstances, we may allow customers to return previously purchased products, such as for next-generation product offerings. For these transactions, we defer recognition of revenue on the sale of the earlier generation product based upon an estimate of the amount of product to be returned when the next-generation products are shipped to the customer. Uncertain timing of next-generation product approvals, variability in product launch strategies, product recalls, and variation in product utilization all affect the estimates related to sales returns and could cause actual returns to differ from these estimates.

Our sales adjustment related to distributor rebates given to our United States distributors represents the difference between our sales price to the distributor and the negotiated price to be paid by the end-customer. We validate the distributor rebate accrual quarterly through either a review of the inventory reports obtained from our distributors or an estimate of the distributor's inventory. This distributor inventory information is used to verify the estimated liability for future distributor rebate claims based on historical rebates and contract rates. We periodically monitor current pricing trends and distributor inventory levels to ensure the credit for future distributor rebates is fairly stated.

Excess and Obsolete Inventory

The valuation of our inventory requires us to estimate excess, obsolete, and expired inventory. We base our provisions for excess, obsolete, and expired inventory on our estimates of forecasted sales. A significant change in the timing or level of demand for our products as compared to forecasted amounts may result in recording additional allowances for excess, obsolete, and expired inventory in the future. In addition, our industry is characterized by rapid product development and frequent new product introductions. Uncertain timing of next-generation product approvals, variability in product launch strategies, product recalls, increasing levels of consigned inventory, and variation in product utilization all affect our estimates related to excess, obsolete, and expired inventory.

Intangible Assets and Long-lived Assets

We acquire intangible assets in connection with business combinations and asset purchases. The acquired intangible assets are recorded at fair value, which is determined based on a discounted cash flow analysis. The determination of fair value requires significant estimates, including, but not limited to, the amount and timing of projected future cash flows, the discount rate used to discount those cash flows, the assessment of the asset's life cycle, including the timing and expected costs to complete in-process projects, and the consideration of legal, technical, regulatory, economic, and competitive risks.

In-process research and development assets acquired in business combinations is reviewed for impairment annually, or whenever an event occurs or circumstances change that would indicate the carrying amount may be impaired. Additionally, management reviews the carrying amounts of other intangible and long-lived assets whenever events or circumstances indicate that the carrying amounts of an asset may not be recoverable. The impairment reviews require significant estimates about fair value, including estimation of future cash flows, selection of an appropriate discount rate, and estimates of long-term growth rates.

Contingent Consideration

We record contingent consideration resulting from a business combination at its fair value on the acquisition date. We determine the fair value of the contingent consideration based primarily on the following factors:

- discount rates used to present value the projected cash flows;
- the probability of success of clinical events and regulatory approvals, and/or meeting commercial milestones;
- projected payment dates; and
- volatility of future sales.

On a quarterly basis, we revalue these obligations and record changes in their fair value as an adjustment to earnings. Changes to contingent consideration obligations can result from adjustments to discount rates, accretion of the discount rates due to the passage of time, changes in our estimates of the likelihood or timing of achieving development or commercial milestones, changes in the probability of certain clinical events, or changes in the assumed probability associated with regulatory approval.

The assumptions related to determining the value of contingent consideration include a significant amount of judgment, and any changes in the underlying estimates could have a material impact on the amount of contingent consideration expense recorded in any given period.

Income Taxes

The determination of our provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Realization of certain deferred tax assets, primarily tax credits, net operating loss and other carryforwards, is dependent upon generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods. Failure to achieve forecasted taxable income in the applicable taxing jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in our effective tax rate on future earnings.

We have made an accounting policy election to recognize the United States tax effects of global intangible low-taxed income as a component of income tax expense in the period the tax arises.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our income tax returns are periodically audited by domestic and foreign tax authorities. These audits include questions regarding our tax filing positions, including the timing and amount of deductions and the allocation of income amongst various tax jurisdictions. We evaluate our tax positions and establish liabilities in accordance with the applicable accounting guidance on uncertainty in income taxes. Significant judgment is required in evaluating our uncertain tax positions, including estimating the ultimate resolution to intercompany pricing controversies between countries when there are numerous possible outcomes. We review these tax uncertainties quarterly and adjust the liability as events occur that affect potential liabilities for additional taxes, such as the progress of tax audits, lapsing of applicable statutes of limitations, negotiations between tax authorities, identification of new issues, and issuance of new legislation, regulations, or case law.

For additional details on our income taxes, see Note 2 and Note 17 to the "*Consolidated Financial Statements*."

Stock-based Compensation

We measure and recognize compensation expense for all stock-based awards based on estimated fair values. Stock-based awards consist of stock options, service-based restricted stock units, market-based restricted stock units, and employee stock purchase subscriptions. The fair value of each option award and employee stock purchase subscription is estimated on the date of grant using the Black-Scholes option valuation model. The fair value of market-based restricted stock units is determined using a Monte Carlo simulation model, which uses multiple input variables to determine the probability of satisfying the market condition requirements. The Black-Scholes and Monte Carlo models require various highly judgmental assumptions, including stock price volatility, risk-free interest rate, and expected option term. Stock-based compensation expense is recorded net of estimated forfeitures. Judgment is required in estimating the stock awards that will ultimately be forfeited. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations would be impacted.

Legal Contingencies

We are or may be a party to, or may otherwise be responsible for, pending or threatened lawsuits, including those related to products and services currently or formerly manufactured or performed by us, workplace and employment matters, matters involving real estate, our operations or health care regulations, or governmental investigations. We accrue for loss contingencies to the extent that we conclude that it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. If a reasonable estimate of a known or probable loss cannot be made, but a range of probable losses can be estimated, the low-end of the range of losses is recognized if no amount within the range is a better estimate than any other. If we determine that a loss is possible, but not probable, and the range of the loss can be reasonably determined, then we disclose the range of the possible loss. These matters raise difficult and complex factual and legal issues and are subject to many uncertainties, including, but not limited to, the facts and circumstances of each particular case or claim, the jurisdiction in which each suit is brought, and differences in applicable law. As such, significant judgment is required in determining our legal accruals. We describe our legal proceedings in Note 18 to the "*Consolidated Financial Statements*."

New Accounting Standards

Information regarding new accounting standards is included in Note 2 to the "*Consolidated Financial Statements."*

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our business and financial results are affected by fluctuations in world financial markets, including changes in currency exchange rates and interest rates. We manage these risks through a combination of normal operating and financing activities and derivative financial instruments. We do not use derivative financial instruments for trading or speculative purposes.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and our long-term debt. Our investment strategy is focused on preserving capital and supporting our liquidity requirements, while earning a reasonable market return. We invest in a variety of debt securities, primarily time deposits, commercial paper, United States and foreign government and agency securities, asset-backed securities, corporate debt securities, and municipal debt securities. The market value of our investments may decline if current market interest rates rise. As of December 31, 2021, we had $2.3 billion of investments in debt securities which had an average remaining term to maturity of 1.29 years. Taking into consideration the average maturity of our debt securities, a hypothetical 0.5% to 1.0% absolute increase in interest rates at December 31, 2021 would have resulted in a $15.3 million to $30.6 million decrease in the fair value of these investments. Such a decrease would only result in a realized loss if we choose or are forced to sell the investments before the scheduled maturity, which we currently do not anticipate.

For more information related to investments, see Note 7 to the "*Consolidated Financial Statements.*"

We are also exposed to interest rate risk on our debt obligations. As of December 31, 2021, we had $600.0 million of 2018 Notes outstanding that carry a fixed rate, and also had available a $750.0 million Credit Agreement that carries a variable interest rate based on the London interbank offered rate ("LIBOR"). As of December 31, 2021, there were no borrowings outstanding under the Credit Agreement. Based on our December 31, 2021 variable debt levels, a hypothetical 1.0% absolute increase in floating market interest rates would not have impacted our interest expense since we had no variable debt outstanding during the year. As of December 31, 2021, a hypothetical 1.0% absolute increase in market interest rates would decrease the fair value of the fixed-rate debt by approximately $36.0 million. This hypothetical change in interest rates would not impact the interest expense on the fixed-rate debt.

For more information related to outstanding debt obligations, see Note 10 to the "*Consolidated Financial Statements.*"

Currency Risk

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances and results of our non-United States subsidiaries into United States dollars, currency gains and losses related to intercompany and third-party transactions denominated in currencies other than a subsidiary's functional currency, and currency gains and losses associated with intercompany loans. Our principal currency exposures relate to the Euro and the Japanese yen. Our objective is to minimize the volatility of our exposure to these risks through a combination of normal operating and financing activities and the use of derivative financial instruments in the form of foreign currency forward exchange contracts and cross currency swap contracts. The total notional amount of our derivative financial instruments entered into for foreign currency management purposes at December 31, 2021 was $1.8 billion. A hypothetical 10% increase/decrease in the value of the United States dollar against all hedged currencies would increase/decrease the fair value of these derivative contracts by $134.9 million. Any gains or losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions, so the net impact would not be significant to our financial condition or results of operations.

For more information related to outstanding foreign exchange contracts, see Note 2 and Note 12 to the "*Consolidated Financial Statements.*"

Credit Risk

Derivative financial instruments involve credit risk in the event the financial institution counterparty should default. It is our policy to execute such instruments with major financial institutions that we believe to be creditworthy. At December 31, 2021, all derivative financial instruments were with bank counterparties assigned investment grade ratings by national rating agencies. We further diversify our derivative financial instruments among counterparties to minimize exposure to any one of these entities. We have not experienced a counterparty default and do not anticipate any non-performance by our current derivative counterparties.

Concentrations of Risk

We invest excess cash in a variety of debt securities, and diversify the investments between financial institutions. Our investment policy limits the amount of credit exposure to any one issuer.

In the normal course of business, we provide credit to customers in the health care industry, perform credit evaluations of these customers, and maintain allowances for potential credit losses, which have historically been adequate compared to actual losses. In 2021, we had no customers that represented 10% or more of our total net sales or accounts receivable, net.

Investment Risk

We are exposed to investment risks related to changes in the underlying financial condition and credit capacity of certain of our investments. As of December 31, 2021, we had $2.3 billion of investments in debt securities of various companies, of which $1.7 billion were long-term. In addition, we had $92.5 million of investments in equity instruments. Should these companies experience a decline in financial performance, financial condition or credit capacity, or fail to meet certain development milestones, including as a result of the impact from COVID-19 on their business or operations or otherwise, a decline in the investments' value may occur, resulting in unrealized or realized losses.

Item 8. Financial Statements and Supplementary Data

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All other schedules are omitted as they are not applicable or the required information is furnished in the Consolidated Financial Statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Edwards Lifesciences Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Edwards Lifesciences Corporation and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020**,** and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, 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 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. 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.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Uncertain Tax Positions Related to Intercompany Transfer Pricing

As described in Note 17 to the consolidated financial statements, the Company had an uncertain gross tax position liability balance of $358.4 million as of December 31, 2021, of which a majority is related to intercompany transfer pricing. As disclosed by management, the Company is subject to income taxes in the United States and numerous foreign jurisdictions. The Company's income tax returns in these jurisdictions are periodically audited by domestic and foreign tax authorities. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income amongst various tax jurisdictions. Significant judgment is required by management in evaluating uncertain tax positions, including estimating the ultimate resolution to intercompany pricing controversies between countries when there are numerous possible outcomes.

The principal considerations for our determination that performing procedures relating to uncertain tax positions related to intercompany transfer pricing is a critical audit matter are the significant judgment by management when determining uncertain tax positions related to intercompany transfer pricing, including a high degree of estimation uncertainty in estimating the ultimate resolution to intercompany pricing controversies between countries when there are numerous possible outcomes. This in turn led to a high degree of auditor judgment, effort, and subjectivity in performing procedures to evaluate the accurate measurement of uncertain tax positions related to intercompany transfer pricing. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to intercompany transfer pricing, and controls over measurement of the liability. These procedures also included, among others (i) testing the information used in the calculation of the liability for uncertain tax positions related to intercompany transfer pricing, including US federal filing positions, and the related final income tax returns; (ii) testing the calculation of the liability for uncertain tax positions related to intercompany transfer pricing, by jurisdiction, including management's assessment of the technical merits of tax positions and estimates of the amount of tax benefit expected to be sustained; (iii) testing management's assessment of possible outcomes of uncertain tax positions related to intercompany transfer pricing controversies between countries; and (iv) evaluating the status and results of income tax audits with the relevant tax authorities. Professionals with specialized skill and knowledge were used to assist in the evaluation of the accurate measurement of the Company's uncertain tax positions related to intercompany transfer pricing, including evaluating the reasonableness of management's assessment of whether tax positions are more-likely-than not to be sustained and the amount of potential tax benefit to be realized, and the application of relevant tax laws.

Fair Value of Contingent Consideration Liabilities

As described in Note 11 to the consolidated financial statements, certain of the Company's acquisitions involve contingent consideration arrangements. As of December 31, 2021, the Company had a contingent consideration liability of $62.0 million. Payment of additional consideration is contingent upon the acquired company reaching certain performance milestones, such as attaining specified sales levels or obtaining regulatory approvals. These contingent consideration liabilities are measured by management at estimated fair value using either a probability weighted discounted cash flow analysis or a Monte Carlo simulation model, both of which consider significant unobservable inputs. These inputs include (1) the discount rate used to present value the projected cash flows, (2) the probability of milestone achievement, (3) the projected payment dates, and (4) the volatility of future sales.

The principal considerations for our determination that performing procedures relating to the fair value of contingent consideration liabilities is a critical audit matter are the significant judgment by management when estimating the fair value of

these contingent consideration liabilities, including a high degree of estimation uncertainty in evaluating the discount rate, the probability of milestone achievement, the projected payment dates, and the volatility of future sales. This in turn led to a high degree of auditor judgment, effort, and subjectivity in performing procedures to evaluate the fair value of contingent consideration liabilities. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's process for estimating the fair value of contingent consideration liabilities, including controls over the determination of the significant unobservable inputs selected by management. These procedures also included, among others (i) testing management's process for estimating the fair value of these contingent consideration liabilities and (ii) testing management's probability weighted discounted cash flow analysis or Monte Carlo simulation model used to estimate the fair value of the contingent consideration liabilities. Testing management's process included evaluating the appropriateness of the valuation methods used and the reasonableness of the significant assumptions related to the discount rate, the probability of milestone achievement, the projected payment dates, and the volatility of future sales. Evaluating the reasonableness of the probability of milestone achievement and projected payment dates involved consideration of information obtained from the Company's product engineers, clinical trial data, and third-party industry data. The reasonableness of the discount rate was evaluated by considering the cost of capital of comparable businesses and other industry factors. Professionals with specialized skill and knowledge were used to assist in the evaluation of the reasonableness of significant assumptions related to the discount rate and volatility of future sales.

/s/ PricewaterhouseCoopers LLP
Irvine, California
February 14, 2022

We have served as the Company's auditor since 1999.

EDWARDS LIFESCIENCES CORPORATION

CONSOLIDATED BALANCE SHEETS

(in millions, except par value)

	December 31,	
	2021	**2020**
ASSETS		
Current assets		
Cash and cash equivalents	$ 862.8	$ 1,183.2
Short-term investments (Note 7)	604.0	219.4
Accounts receivable, net of allowances of $9.3 and $9.6, respectively	582.2	514.6
Other receivables	82.7	88.2
Inventories (Note 5)	726.7	802.3
Prepaid expenses	85.2	75.1
Other current assets	237.1	208.2
Total current assets	3,180.7	3,091.0
Long-term investments (Note 7)	1,834.2	801.6
Property, plant, and equipment, net (Note 5)	1,546.6	1,395.2
Operating lease right-of-use assets (Note 6)	92.1	94.2
Goodwill (Note 9)	1,167.9	1,173.2
Other intangible assets, net (Note 9)	323.6	331.4
Deferred income taxes	246.7	230.9
Other assets	110.8	119.6
Total assets	$ 8,502.6	$ 7,237.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 204.5	$ 196.5
Accrued and other liabilities (Note 5)	802.3	670.2
Operating lease liabilities (Note 6)	25.5	27.2
Total current liabilities	1,032.3	893.9
Long-term debt (Note 10)	595.7	595.0
Contingent consideration liabilities (Notes 8 and 11)	62.0	186.1
Taxes payable (Note 17)	190.0	215.3
Operating lease liabilities (Note 6)	69.1	72.7
Uncertain tax positions (Note 17)	259.0	214.4
Litigation settlement accrual (Note 3)	191.3	233.0
Other liabilities	267.3	252.4
Total liabilities	2,666.7	2,662.8
Commitments and contingencies (Notes 6, 10, and 18)		
Stockholders' equity (Notes 14 and 21)		
Preferred stock, $0.01 par value, authorized 50.0 shares, no shares outstanding	—	—
Common stock, $1.00 par value, 1,050.0 shares authorized, 642.0 and 636.4 shares issued, and 624.1 and 624.3 shares outstanding, respectively	642.0	636.4
Additional paid-in capital	1,700.4	1,438.1
Retained earnings	6,068.1	4,565.0
Accumulated other comprehensive loss	(157.7)	(161.1)
Treasury stock, at cost, 17.9 and 12.1 shares, respectively	(2,416.9)	(1,904.1)
Total stockholders' equity	5,835.9	4,574.3
Total liabilities and stockholders' equity	$ 8,502.6	$ 7,237.1

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

EDWARDS LIFESCIENCES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share information)

	Years Ended December 31,		
	2021	**2020**	**2019**
Net sales	$ 5,232.5	$ 4,386.3	$ 4,348.0
Cost of sales	1,248.9	1,080.6	1,114.4
Gross profit	3,983.6	3,305.7	3,233.6
Selling, general, and administrative expenses	1,493.7	1,228.4	1,242.2
Research and development expenses	903.1	760.7	752.7
Intellectual property litigation expenses, net (Note 3)	20.6	405.4	33.4
Change in fair value of contingent consideration liabilities, net	(124.1)	13.6	(6.1)
Special charges (Note 4)	—	—	64.6
Operating income	1,690.3	897.6	1,146.8
Interest expense	18.4	15.8	20.7
Interest income	(17.4)	(23.4)	(32.2)
Other income, net (Note 16)	(12.7)	(11.5)	(8.2)
Income before provision for income taxes	1,702.0	916.7	1,166.5
Provision for income taxes (Note 17)	198.9	93.3	119.6
Net income	$ 1,503.1	$ 823.4	$ 1,046.9
Share information (Note 2):			
Earnings per share:			
Basic	$ 2.41	$ 1.32	$ 1.68
Diluted	$ 2.38	$ 1.30	$ 1.64
Weighted-average number of common shares outstanding:			
Basic	623.3	622.6	624.8
Diluted	631.2	631.9	636.7

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

EDWARDS LIFESCIENCES CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

	Years Ended December 31,		
	2021	2020	2019
Net income	$ 1,503.1	$ 823.4	$ 1,046.9
Other comprehensive income (loss), net of tax (Note 15):			
Foreign currency translation adjustments	(50.1)	32.4	(11.2)
Unrealized gain (loss) on hedges	57.4	(40.2)	(11.1)
Unrealized pension credits (costs)	11.6	(4.2)	(1.9)
Unrealized (loss) gain on available-for-sale investments	(24.1)	6.6	6.3
Reclassification of net realized investment loss to earnings	8.6	0.3	0.4
Other comprehensive income (loss), net of tax	3.4	(5.1)	(17.5)
Comprehensive income	$ 1,506.5	$ 818.3	$ 1,029.4

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

EDWARDS LIFESCIENCES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Years Ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities			
Net income	$ 1,503.1	$ 823.4	$ 1,046.9
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	134.8	107.2	89.3
Non-cash operating lease cost	28.5	28.2	25.3
Stock-based compensation (Notes 2 and 14)	109.3	92.6	81.3
Inventory write off (Note 2)	—	—	73.1
Impairment charges (Note 4)	—	—	40.6
Change in fair value of contingent consideration liabilities, net (Note 11)	(124.1)	13.6	(6.1)
Deferred income taxes	(41.4)	(49.4)	12.1
Purchased in-process research and development (Note 4)	—	—	24.0
Other	(23.4)	(3.5)	(2.8)
Changes in operating assets and liabilities:			
Accounts and other receivables, net	(91.1)	41.9	(88.0)
Inventories	19.0	(120.6)	(105.4)
Prepaid expenses and other current assets	7.9	(28.5)	(6.8)
Accounts payable and accrued liabilities	195.2	(84.5)	116.5
Litigation settlement accrual	(29.2)	270.5	(180.0)
Income taxes	62.0	(52.9)	43.2
Other	(18.5)	16.3	19.7
Net cash provided by operating activities	1,732.1	1,054.3	1,182.9
Cash flows from investing activities			
Capital expenditures	(325.8)	(407.0)	(254.4)
Purchases of held-to-maturity investments (Note 7)	(250.0)	(162.0)	(130.2)
Proceeds from sales and maturities of held-to-maturity investments (Note 7)	138.0	212.2	50.0
Purchases of available-for-sale investments (Note 7)	(1,629.3)	(689.7)	(437.9)
Proceeds from sales and maturities of available-for-sale investments (Note 7)	391.2	564.8	359.9
Acquisition (Note 8)	—	—	(100.2)
Payment for acquisition option	(13.1)	(10.0)	(35.0)
Issuances of notes receivable	(5.1)	(27.0)	(12.9)
Collections of notes receivable	20.0	—	—
Investments in intangible assets and in-process research and development	(4.0)	(0.3)	(24.0)
Other	(44.4)	(12.1)	(11.1)
Net cash used in investing activities	(1,722.5)	(531.1)	(595.8)
Cash flows from financing activities			
Proceeds from issuance of debt	5.2	16.2	18.9
Payments on debt and finance lease obligations	(7.0)	(17.0)	(28.9)
Purchases of treasury stock	(512.8)	(625.4)	(263.3)
Proceeds from stock plans	158.6	140.5	160.5
Other	(0.3)	(1.2)	(2.8)
Net cash used in financing activities	(356.3)	(486.9)	(115.6)
Effect of currency exchange rate changes on cash, cash equivalents, and restricted cash	13.9	(20.5)	(3.0)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(332.8)	15.8	468.5
Cash, cash equivalents, and restricted cash at beginning of year	1,200.2	1,184.4	715.9
Cash, cash equivalents, and restricted cash at end of year	$ 867.4	$ 1,200.2	$ 1,184.4

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

EDWARDS LIFESCIENCES CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions)

	Common Stock		Treasury Stock					
	Shares	Par Value	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
BALANCE AT DECEMBER 31, 2018	215.2	$ 215.2	7.5	$ (1,015.4)	$ 1,384.4	$ 2,694.7	$ (138.5)	$ 3,140.4
Net income						1,046.9		1,046.9
Other comprehensive loss, net of tax							(17.5)	(17.5)
Common stock issued under equity plans	2.9	2.9			157.6			160.5
Stock-based compensation expense					81.3			81.3
Purchases of treasury stock			1.5	(263.3)				(263.3)
BALANCE AT DECEMBER 31, 2019	218.1	218.1	9.0	(1,278.7)	1,623.3	3,741.6	(156.0)	4,148.3
Net income						823.4		823.4
Other comprehensive loss, net of tax							(5.1)	(5.1)
Common stock issued under equity plans	4.5	4.5			136.0			140.5
Stock-based compensation expense					92.6			92.6
Purchases of treasury stock			3.1	(625.4)				(625.4)
Stock issued to effect stock split	413.8	413.8			(413.8)			—
BALANCE AT DECEMBER 31, 2020	636.4	636.4	12.1	(1,904.1)	1,438.1	4,565.0	(161.1)	4,574.3
Net income						1,503.1		1,503.1
Other comprehensive income, net of tax							3.4	3.4
Common stock issued under equity plans	5.6	5.6			153.0			158.6
Stock-based compensation expense					109.3			109.3
Purchases of treasury stock			5.8	(512.8)				(512.8)
BALANCE AT DECEMBER 31, 2021	642.0	$ 642.0	17.9	$ (2,416.9)	$ 1,700.4	$ 6,068.1	$ (157.7)	$ 5,835.9

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

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Edwards Lifesciences Corporation ("Edwards Lifesciences" or the "Company") conducts operations worldwide and is managed in the following geographical regions: United States, Europe, Japan, and Rest of World. Edwards Lifesciences is focused on technologies that treat structural heart disease and critically ill patients. The products and technologies provided by Edwards Lifesciences are categorized into the following main areas: Transcatheter Aortic Valve Replacement, Transcatheter Mitral and Tricuspid Therapies, Surgical Structural Heart, and Critical Care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Edwards Lifesciences and its majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Company reviews its investments in other entities to determine whether the Company is the primary beneficiary of a variable interest entity ("VIE"). The Company would be the primary beneficiary of the VIE, and would be required to consolidate the VIE, if it has the power to direct the significant activities of the entity and the obligation to absorb losses or receive benefits from the entity that may be significant to the VIE. Based on the Company's analysis, it determined it is not the primary beneficiary of any material VIEs; however, future events may require VIEs to be consolidated if the Company becomes the primary beneficiary.

Stock Split

On May 7, 2020, the Company’s Board of Directors declared a three-for-one stock split of the Company's outstanding shares of common stock effected in the form of a stock dividend, distributed on May 29, 2020 to stockholders of record on May 18, 2020. The Company distributed two newly issued shares of common stock to holders of record of each share of common stock to effect the stock split. All applicable share and per-share amounts in the consolidated financial statements and the notes to consolidated financial statements have been retroactively adjusted to reflect this stock split. The consolidated statement of stockholders' equity for the year ended December 31, 2019 has not been retroactively adjusted to reflect the stock split.

Use of Estimates

The consolidated financial statements of Edwards Lifesciences have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") which have been applied consistently in all material respects. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates. In particular, the COVID-19 pandemic has adversely impacted, and may further adversely impact, nearly all aspects of the Company's business and markets, including its workforce and the operations of its customers, suppliers, and business partners. The full extent to which the pandemic will directly or indirectly impact the Company's business, results of operations, and financial condition, including sales, expenses, manufacturing, clinical trials, research and development costs, reserves and allowances, fair value measurements, asset impairment charges, contingent consideration obligations, and the effectiveness of the Company's hedging instruments, will depend on future developments that are highly uncertain and difficult to predict. These developments include, but are not limited to, the duration and spread of the outbreak (including new and more contagious variants of COVID-19), its severity, the actions to contain the virus or address its impact, the timing, distribution, public acceptance and efficacy of vaccines and other treatments, United States and foreign government actions to respond to the reduction in global economic activity, and how quickly and to what extent normal economic and operating conditions can resume.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation

When the local currency of the Company's foreign entities is the functional currency, all assets and liabilities are translated into United States dollars at the rate of exchange in effect at the balance sheet date. Income and expense items are translated at the weighted-average exchange rate prevailing during the period. The effects of foreign currency translation adjustments for these entities are deferred and reported in stockholders' equity as a component of "*Accumulated Other Comprehensive Loss*." The effects of foreign currency transactions denominated in a currency other than an entity's functional currency are included in "*Other Income, net.*"

Revenue Recognition

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

The Company generates nearly all of its revenue from direct product sales and sales of products under consignment arrangements. Revenue from direct product sales is recognized at a point in time when the performance obligation is satisfied upon delivery of the product. Revenue from sales of consigned inventory is recognized at a point in time when the performance obligation is satisfied once the product has been implanted or used by the customer. The Company periodically reviews consignment inventories to confirm the accuracy of customer reporting. The Company also generates a small portion of its revenue from service contracts, and recognizes revenue from service contracts ratably over the term of the contracts. Sales taxes and other similar taxes that the Company collects concurrent with revenue-producing activities are excluded from revenue. The Company does not typically have any significant unusual payment terms beyond 90 days in its contracts with customers. In addition, the Company receives royalty payments for the licensing of certain intellectual property and recognizes the royalty when the subsequent sale of product using the intellectual property occurs.

The amount of consideration the Company ultimately receives varies depending upon the return terms, sales rebates, discounts, and other incentives that the Company may offer, which are accounted for as variable consideration when estimating the amount of revenue to recognize. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely upon an assessment of historical payment experience, historical relationship to revenues, estimated customer inventory levels, and current contract sales terms with direct and indirect customers.

The Company's sales adjustment related to distributor rebates given to the Company's United States distributors represents the difference between the Company's sales price to the distributor and the negotiated price to be paid by the end-customer. This distributor rebate is recorded as a reduction to sales and a reduction to the distributor's accounts receivable at the time of sale to a distributor. The Company periodically monitors current pricing trends and distributor inventory levels to ensure the credit for future distributor rebates is fairly stated.

The Company offers volume rebates to certain group purchasing organizations ("GPOs") and customers based upon targeted sales levels. Volume rebates offered to GPOs are recorded as a reduction to sales and an obligation to the GPOs, as the Company expects to pay in cash. Volume rebates offered to customers are recorded as a reduction to sales and either a reduction to accounts receivable if the Company expects a net payment from the customer, or as an obligation to the customer if the Company expects to pay in cash. The provision for volume rebates is estimated based upon customers' contracted rebate programs, projected sales levels, and historical experience of rebates paid. The Company periodically monitors its customer rebate programs to ensure that the allowance and liability for accrued rebates is fairly stated.

Product returns are typically not significant because returns are generally not allowed unless the product is damaged at time of receipt. In limited circumstances, the Company may allow customers to return previously purchased products, such as for next-generation product offerings. For these transactions, the Company defers recognition of revenue on the sale of the earlier generation product based upon an estimate of the amount of product to be returned when the next-generation products are shipped to the customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company sells separately priced service contracts, which range from 12 to 36 months, to owners of its hemodynamic monitors. The Company invoices the customer the total amount of consideration at the inception of the contract and recognizes revenue ratably over the term of the contract. As of December 31, 2021 and 2020, $10.2 million and $6.3 million, respectively, of deferred revenue associated with outstanding service contracts was recorded in "*Accrued and Other Liabilities*" and "*Other Long-term Liabilities.*" During 2021, the Company recognized as revenue $7.3 million that was included in the balance of deferred revenue as of December 31, 2020, and during 2020, the Company recognized as revenue $6.3 million that was included in the balance of deferred revenue as of December 31, 2019.

A limited number of the Company's contracts with customers contain multiple performance obligations. For these contracts, the transaction price is allocated to each performance obligation based on its relative standalone selling price charged to other customers.

The Company applies the optional exemption of not disclosing the amount of the transaction price allocated to unsatisfied performance obligations for contracts with an original expected duration of one year or less.

Shipping and Handling Costs

Shipping costs, which are costs incurred to physically move product from the Company's premises or third party distribution centers, including storage, to the customer's premises, are included in "*Selling, General, and Administrative Expenses*." Handling costs, which are costs incurred to store at the Company's premises, move, and prepare products for shipment, are included in "*Cost of Sales*." For the years ended December 31, 2021, 2020, and 2019, shipping costs of $85.3 million, $74.0 million, and $71.5 million, respectively, were included in "*Selling, General, and Administrative Expenses*."

Cash Equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. These investments are valued at cost, which approximates fair value.

Investments

The Company invests its excess cash in debt securities, including time deposits, commercial paper, United States government and agency securities, asset-backed securities, corporate debt securities, and municipal debt securities. Investments with maturities of one year or less are classified as short-term, and investments with maturities greater than one year are classified as long-term. Investments that the Company has the ability and intent to hold until maturity are classified as held-to-maturity and carried at amortized cost. Investments in debt securities that are classified as available-for-sale are carried at fair value with unrealized gains and losses included in "*Accumulated Other Comprehensive Loss*." The Company determines the appropriate classification of its investments in debt securities at the time of purchase and reevaluates such designation at each balance sheet date.

The Company also has long-term equity investments in companies that are in various stages of development. These investments are reported at fair value or under the equity method of accounting, as appropriate. Equity investments that do not have readily determinable fair values are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The Company accounts for investments in limited partnerships and limited liability corporations, whereby the Company owns a minimum of 5% of the investee's outstanding voting stock, under the equity method of accounting. These investments are recorded at the amount of the Company's investment and adjusted each period for the Company's share of the investee's income or loss, and dividends paid.

Realized gains and losses on investments that are sold are determined using the specific identification method, or the first-in, first-out method, depending on the investment type, and recorded to "*Other Income, net*." Income relating to investments in debt securities is recorded to "*Interest Income.*"

Equity investments without readily determinable fair value are considered impaired when there is an indication that the fair value of the Company's interest is less than the carrying amount. Equity method investments are considered impaired when

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

there is an indication of an other-than-temporary decline in value below the carrying amount. Impairments of equity investments are recorded in "*Other Income, net.*"

Debt securities in an unrealized loss position are written down to fair value through "*Other Income, net*" if the Company intends to sell the security or it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. For debt securities in an unrealized loss position that do not meet the aforementioned criteria, the Company assesses whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, changes to the rating of the security by a rating agency, and any adverse conditions specifically related to the security, among other factors. When a credit loss exists, the Company compares the present value of cash flows expected to be collected from the debt security to the amortized cost basis of the security to determine the allowance amount that should be recorded, if any.

Accounts Receivable

The majority of the Company's accounts receivable arise from direct product sales and sales of products under consignment arrangements, and have payment terms that generally require payment within 30 to 90 days. The Company does not adjust its receivables for the effects of a significant financing component at contract exception if collection of the receivable is expected within one year or less from the time of sale. In countries where the Company has experienced a pattern of payments extending beyond the stated terms and collection of the receivable is expected beyond one year from the time of sale, the Company assesses whether the customer has a significant financing component and discounts the receivable and reduces the related revenues over the period of time that the Company estimates those amounts will be paid using the country's market-based borrowing rate for such period.

The Company provides reserves against accounts receivable for estimated losses that may result from a customer's inability to pay based on customer-specific analysis and general matters such as current assessments of past due balances, economic conditions and forecasts, and historical credit loss activity. Amounts determined to be uncollectible are charged or written-off against the reserve.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. Market value for raw materials is based on replacement costs, and for other inventory classifications is based on net realizable value.

A write-down for excess or slow moving inventory is recorded for inventory which is obsolete, damaged, nearing its expiration date (generally triggered at six months prior to expiration), or slow moving (generally defined as quantities in excess of a two-year supply).

The Company allocates to inventory general and administrative costs that are related to the production process. These costs include insurance, manufacturing accounting and human resources personnel, and information technology. During the years ended December 31, 2021, 2020, and 2019, the Company allocated $77.9 million, $63.1 million, and $56.6 million, respectively, of general and administrative costs to inventory. General and administrative costs included in inventory at December 31, 2021 and 2020 were $33.7 million and $30.7 million, respectively.

At December 31, 2021 and 2020, $125.8 million and $130.0 million, respectively, of the Company's finished goods inventories were held on consignment.

In 2019, the Company recorded a $73.1 million charge to "*Cost of Sales*," primarily comprised of the write off of inventory related to strategic decisions regarding its transcatheter aortic valve portfolio, including the decision to discontinue its *CENTERA* program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. Depreciation is principally calculated for financial reporting purposes on the straight-line method over the estimated useful lives of the related assets, which range from 10 to 40 years for buildings and improvements, from 3 to 15 years for machinery and equipment, and from 3 to 5 years for software. Leasehold improvements are amortized over the life of the related facility leases or the asset, whichever is shorter. Straight-line and accelerated methods of depreciation are used for income tax purposes. Construction in progress is not depreciated until the asset is ready for its intended use.

Depreciation expense for property, plant, and equipment was $127.0 million, $101.8 million, and $84.7 million for the years ended December 31, 2021, 2020, and 2019, respectively.

Leases

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments. The Company's incremental borrowing rate is determined based on the estimated rate of interest for collateralized borrowing over a similar term as the associated lease. Right-of-use assets also include any lease payments made at or before lease commencement and any initial direct costs incurred, and exclude any lease incentives received.

The Company determines the lease term as the noncancellable period of the lease, and may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of 12 months or less are not recognized on the balance sheet. Certain of the Company's leases include variable lease payments that are based on costs incurred or actual usage, or adjusted periodically based on an index or a rate. The Company's leases do not contain any residual value guarantees.

The Company accounts for the lease and non-lease components as a single lease component for all of its leases except vehicle leases, for which the lease and non-lease components are accounted for separately.

Operating leases are included in "*Operating Lease Right-of-Use Assets*" and "*Operating Lease Liabilities*" on the Company's consolidated balance sheets. See Note 6 for further information.

Impairment of Goodwill and Long-lived Assets

Goodwill is reviewed for impairment annually in the fourth quarter of each fiscal year, or whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the reporting unit does not pass the qualitative assessment, then the Company performs a quantitative impairment test. The Company determined, after performing a qualitative review of each reporting unit, that it is more likely than not that the fair value of each of its reporting units substantially exceeds the respective carrying amounts. Accordingly, in 2021, 2020, and 2019, the Company did not record any goodwill impairment loss.

Indefinite-lived intangible assets relate to in-process research and development acquired in business combinations. The estimated fair values of in-process research and development projects acquired in a business combination which have not reached technological feasibility are capitalized and accounted for as indefinite-lived intangible assets subject to impairment testing until completion or abandonment of the projects. Upon successful completion of the project, the capitalized amount is amortized over its estimated useful life. If the project is abandoned, all remaining capitalized amounts are written off immediately. Indefinite-lived intangible assets are reviewed for impairment annually in the fourth quarter of each fiscal year, or whenever an event occurs or circumstances change that would indicate the carrying amount may be impaired. An impairment

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

loss is recognized when the asset's carrying value exceeds its fair value. In-process research and development projects acquired in an asset acquisition are expensed unless the project has an alternative future use.

Management reviews the carrying amounts of other finite-lived intangible assets and long-lived tangible assets whenever events or circumstances indicate that the carrying amounts of an asset may not be recoverable. Impairment indicators include, among other conditions, cash flow deficits, historic or anticipated declines in revenue or operating profit, and adverse legal or regulatory developments. If it is determined that such indicators are present and the review indicates that the assets will not be fully recoverable, based on undiscounted estimated cash flows over the remaining amortization periods, their carrying values are reduced to estimated fair market value. Estimated fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. For the purposes of identifying and measuring impairment, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

In 2021 and 2020, the Company did not record any impairment loss related to its in-process research and development assets. In 2019, the Company recorded a $40.6 million charge related to the impairment of certain in-process research and development assets. See Note 4 for further information.

Income Taxes

The Company is subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in evaluating the Company's uncertain tax positions and determining its provision for income taxes. The Company recognizes the financial statement benefit of a tax position only after determining that a position would more likely than not be sustained based upon its technical merit if challenged by the relevant taxing authority and taken by management to the court of last resort. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the relevant tax authority. The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company has made an accounting policy election to recognize the United States tax effects of global intangible low-taxed income as a component of income tax expense in the period the tax arises.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The Company evaluates quarterly the realizability of its deferred tax assets by assessing its valuation allowance and adjusting the amount, if necessary. The factors used to assess the likelihood of realization are both historical experience and the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in the applicable taxing jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in the Company's effective tax rate on future earnings.

Research and Development Costs

Research and development costs are charged to expense when incurred.

Earnings per Share

Basic earnings per share is computed by dividing net income by the weighted-average common shares outstanding during the period. Diluted earnings per share is computed based on the weighted-average common shares outstanding plus the effect of dilutive potential common shares outstanding during the period calculated using the treasury stock method. Dilutive potential common shares include employee equity share options, nonvested shares, and similar equity instruments granted by the Company. Potential common share equivalents have been excluded where their inclusion would be anti-dilutive.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The table below presents the computation of basic and diluted earnings per share (in millions, except for per share information):

	Years Ended December 31,		
	2021	2020	2019
Basic:			
Net income	$ 1,503.1	$ 823.4	$ 1,046.9
Weighted-average shares outstanding	623.3	622.6	624.8
Basic earnings per share	$ 2.41	$ 1.32	$ 1.68
Diluted:			
Net income	$ 1,503.1	$ 823.4	$ 1,046.9
Weighted-average shares outstanding	623.3	622.6	624.8
Dilutive effect of stock plans	7.9	9.3	11.9
Dilutive weighted-average shares outstanding	631.2	631.9	636.7
Diluted earnings per share	$ 2.38	$ 1.30	$ 1.64

Stock options, restricted stock units, and market-based restricted stock units to purchase approximately 1.8 million, 2.0 million, and 1.5 million shares were outstanding for the years ended December 31, 2021, 2020, and 2019, respectively, but were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

Stock-based Compensation

The Company measures and recognizes compensation expense for all stock-based awards based on estimated fair values. Stock-based awards consist of stock options, restricted stock units (service-based and market-based), and employee stock purchase subscriptions. Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period (vesting period) on a straight-line basis. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Upon exercise of stock options or vesting of restricted stock units, the Company issues common stock.

Total stock-based compensation expense was as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
Cost of sales	$ 20.4	$ 17.2	$ 14.7
Selling, general, and administrative expenses	65.6	56.6	51.2
Research and development expenses	23.3	18.8	15.4
Total stock-based compensation expense	109.3	92.6	81.3
Income tax benefit	(18.9)	(15.4)	(14.8)
Total stock-based compensation expense, net of tax	$ 90.4	$ 77.2	$ 66.5

Upon a participant's retirement, all unvested stock options are immediately forfeited. In addition, upon retirement, a participant will immediately vest in 25% of service-based restricted stock units for each full year of employment with the Company measured from the grant date. All remaining unvested service-based restricted stock units are immediately forfeited. For market-based restricted stock units, upon retirement and in certain other specified cases, a participant will receive a pro-rated portion of the shares that would ultimately be issued based on attainment of the performance goals as determined on the vesting date. The pro-rated portion is based on the participant's whole months of service with the Company during the performance period prior to the date of termination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivatives

The Company uses derivative financial instruments to manage its currency exchange rate risk and its interest rate risk. It is the Company's policy not to enter into derivative financial instruments for speculative purposes.

Derivative financial instruments involve credit risk in the event the counterparty should default. It is the Company's policy to execute such instruments with global financial institutions that the Company believes to be creditworthy. The Company diversifies its derivative financial instruments among counterparties to minimize exposure to any one of these entities. The Company also uses International Swap Dealers Association master-netting agreements. The master-netting agreements provide for the net settlement of all contracts through a single payment in a single currency in the event of default, as defined by the agreements.

The Company uses foreign currency forward exchange contracts and cross currency swap contracts to manage its exposure to changes in currency exchange rates from (1) future cash flows associated with intercompany transactions and certain local currency expenses expected to occur within the next 13 months (designated as cash flow hedges), (2) its net investment in certain foreign subsidiaries (designated as net investment hedges) and (3) foreign currency denominated assets or liabilities (designated as fair value hedges). The Company also uses foreign currency forward exchange contracts that are not designated as hedging instruments to offset the transaction gains and losses associated with the revaluation of certain assets and liabilities denominated in currencies other than their functional currencies resulting principally from intercompany and local currency transactions.

All derivative financial instruments are recognized at fair value in the consolidated balance sheets. For each derivative instrument that is designated as a fair value hedge, the gain or loss on the derivative included in the assessment of hedge effectiveness is recognized immediately to earnings, and offsets the loss or gain on the underlying hedged item. The Company reports in "*Accumulated Other Comprehensive Loss*" the gain or loss on derivative financial instruments that are designated, and that qualify, as cash flow hedges. The Company reclassifies these gains and losses into earnings in the same line item and in the same period in which the underlying hedged transactions affect earnings. Changes in the fair value of net investment hedges are reported in "*Accumulated Other Comprehensive Loss*" as a part of the cumulative translation adjustment and would be reclassified into earnings if the underlying net investment is sold or substantially liquidated. The portion of the change in fair value related to components excluded from the hedge effectiveness assessment are amortized into earnings over the life of the derivative. The gains and losses on derivative financial instruments for which the Company does not elect hedge accounting treatment are recognized in the consolidated statements of operations in each period based upon the change in the fair value of the derivative financial instrument. Cash flows from net investment hedges are reported as investing activities in the consolidated statements of cash flows, and cash flows from all other derivative financial instruments are reported as operating activities.

New Accounting Standards Not Yet Adopted

In November 2021, the Financial Accounting Standards Board ("FASB") issued an amendment to the accounting guidance on government assistance. The guidance requires certain disclosures about transactions with a government that are accounted for by applying a grant or contribution model. The guidance is effective for annual periods beginning after December 15, 2021, and should be applied either prospectively or retrospectively. The Company does not expect the adoption of this guidance will have a material impact on its consolidated financial statements.

3. INTELLECTUAL PROPERTY LITIGATION EXPENSES, NET

The Company incurred intellectual property litigation expenses, including settlements and external legal costs, of $20.6 million, $405.4 million and $33.4 million during 2021, 2020 and 2019, respectively.

On July 12, 2020, the Company reached an agreement with Abbott Laboratories and its direct and indirect subsidiaries ("Abbott") to, among other things, settle all outstanding patent disputes between the companies (the “Settlement Agreement”) in cases related to transcatheter mitral and tricuspid repair products. The Settlement Agreement resulted in the Company recording an estimated $367.9 million pre-tax charge and related liability in June 2020 related to past damages. In addition, the

Company will incur royalty expenses through May 2024 totaling an estimated $100 million. The Company made a one-time $100.0 million payment to Abbott in July 2020, and is making quarterly payments in subsequent years.

4. SPECIAL CHARGES

Impairment of Long-lived Assets

In December 2019, the Company recorded a charge of $40.6 million to fully impair certain in-process research and development assets. These assets were acquired as part of the acquisition of Valtech Cardio Ltd. ("Valtech") in 2017. The Company measured the amount of the impairment by calculating the amount by which the carrying values exceeded the estimated fair values, which was based on projected discounted future net cash flows. Based on market and clinical trial developments at the time of the impairment, the Company re-evaluated the clinical development plans for the technologies acquired from Valtech, which resulted in a reduction to the projected near-term discounted future net cash flows related to the acquired mitral and tricuspid technology. The impairment was recorded to the Company's Rest of World segment.

Acquisition of Intellectual Property

In March 2019, the Company recorded a $24.0 million charge related to the acquisition of early-stage transcatheter intellectual property and associated clinical and regulatory experience.

5. OTHER CONSOLIDATED FINANCIAL STATEMENT DETAILS

Composition of Certain Financial Statement Captions

Components of selected captions in the consolidated balance sheets are as follows:

	As of December 31,	
	2021	2020
	(in millions)	
Inventories		
Raw materials	$ 132.8	$ 136.7
Work in process	164.3	140.0
Finished products	429.6	525.6
	$ 726.7	$ 802.3
Property, plant, and equipment, net		
Land	$ 116.5	$ 97.6
Buildings and leasehold improvements	1,010.1	881.5
Machinery and equipment	613.4	564.9
Equipment with customers	39.2	42.2
Software	88.2	94.2
Construction in progress	333.8	313.3
	2,201.2	1,993.7
Accumulated depreciation	(654.6)	(598.5)
	$ 1,546.6	$ 1,395.2
Accrued and other liabilities		
Employee compensation and withholdings	$ 319.7	$ 236.7
Accrued rebates	77.0	67.2
Property, payroll, and other taxes	68.9	49.7
Research and development accruals	58.2	52.3

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. OTHER CONSOLIDATED FINANCIAL STATEMENT DETAILS (Continued)

	As of December 31,	
	2021	2020
	(in millions)	
Legal and insurance (Notes 3 and 18)	79.1	60.8
Taxes payable	30.6	18.6
Fair value of derivatives	3.9	39.3
Accrued marketing expenses	20.1	14.3
Accrued professional services	11.9	7.6
Accrued realignment reserves	19.1	14.5
Accrued relocation costs	26.2	21.0
Other accrued liabilities	87.6	88.2
	$ 802.3	$ 670.2

Supplemental Cash Flow Information
(in millions)

	Years Ended December 31,		
	2021	2020	2019
Cash paid during the year for:			
Interest	$ 20.2	$ 19.9	$ 19.9
Income taxes	$ 182.5	$ 197.9	$ 61.5
Amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 31.9	$ 29.7	$ 28.6
Non-cash investing and financing transactions:			
Right-of-use assets obtained in exchange for new lease liabilities	$ 28.7	$ 39.7	$ 49.6
Capital expenditures accruals	$ 54.3	$ 80.4	$ 50.8
Conversion of notes receivable to equity investment	$ 21.5	$ 4.5	$ —

Cash, Cash Equivalents, and Restricted Cash
(in millions)

	Years Ended December 31,		
	2021	2020	2019
Cash and cash equivalents	$ 862.8	$ 1,183.2	$ 1,179.1
Restricted cash included in other current assets	1.5	16.6	1.6
Restricted cash included in other assets	3.1	0.4	3.7
Total cash, cash equivalents, and restricted cash	$ 867.4	$ 1,200.2	$ 1,184.4

Amounts included in restricted cash primarily represent funds placed in escrow related to litigation and real estate purchases. Restricted cash as of December 31, 2020 also included funds restricted for construction.

6. LEASES

The Company leases certain office space, manufacturing facilities, land, apartments, warehouses, vehicles, and equipment with remaining lease terms ranging from less than 1 year to 19 years, some of which include options to extend or terminate the leases.

6. LEASES (Continued)

Operating lease costs for the years ended December 31, 2021, 2020, and 2019 were $29.7 million, $30.5 million, and $27.9 million, respectively. Short-term and variable lease costs were not material for the years ended December 31, 2021, 2020, and 2019.

Supplemental balance sheet information related to operating leases was as follows (in millions, except lease term and discount rate):

	As of December 31,	
	2021	2020
Operating lease right-of-use assets	$ 92.1	$ 94.2
Operating lease liabilities, current portion	$ 25.5	$ 27.2
Operating lease liabilities, long-term portion	69.1	72.7
Total operating lease liabilities	$ 94.6	$ 99.9

Maturities of operating lease liabilities at December 31, 2021 were as follows (in millions):

2022	$ 27.5
2023	23.0
2024	13.6
2025	8.3
2026	7.5
Thereafter	24.6
Total lease payments	104.5
Less: imputed interest	(9.9)
Total lease liabilities	$ 94.6

The following table provides information on the lease terms and discount rates:

	Years Ended December 31,	
	2021	2020
Weighted-average remaining lease term (in years)	6.2	6.6
Weighted-average discount rate	2.5 %	2.7 %

As of December 31, 2021, the Company had additional operating lease commitments of $2.5 million for office space that have not yet commenced.

7. INVESTMENTS

Debt Securities

Investments in debt securities at the end of each period were as follows (in millions):

	December 31, 2021				December 31, 2020			
Held-to-maturity	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Bank time deposits	$ 162.0	$ —	$ —	$ 162.0	$ 50.0	$ —	$ —	$ 50.0
Available-for-sale								
Bank time deposits	$ 2.5	$ —	$ —	$ 2.5	$ 24.1	$ —	$ —	$ 24.1
Commercial paper	127.7	—	—	127.7	—	—	—	—
United States government and agency securities	147.4	0.6	(0.7)	147.3	147.0	2.2	—	149.2
Asset-backed securities	515.2	0.3	(2.9)	512.6	149.6	1.9	—	151.5
Corporate debt securities	1,397.1	2.0	(8.3)	1,390.8	600.8	7.5	—	608.3
Municipal securities	2.8	—	—	2.8	2.8	—	—	2.8
	$ 2,192.7	$ 2.9	$ (11.9)	$ 2,183.7	$ 924.3	$ 11.6	$ —	$ 935.9

The cost and fair value of investments in debt securities, by contractual maturity, as of December 31, 2021 were as follows:

	Held-to-Maturity		Available-for-Sale	
	Amortized Cost	**Fair Value**	**Amortized Cost**	**Fair Value**
	(in millions)			
Due in 1 year or less	$ 162.0	$ 162.0	$ 441.3	$ 442.0
Due after 1 year through 5 years	—	—	1,196.7	1,189.6
Due after 5 years through 10 years	—	—	8.7	8.6
Instruments not due at a single maturity date [(a)]	—	—	546.0	543.5
	$ 162.0	$ 162.0	$ 2,192.7	$ 2,183.7

(a) Consists of mortgage- and asset-backed securities.

Actual maturities may differ from the contractual maturities due to call or prepayment rights.

7. INVESTMENTS (Continued)

The following table presents gross unrealized losses and fair values for those investments that were in an unrealized loss position as of December 31, 2021, aggregated by investment category and the length of time that individual securities have been in a continuous loss position (in millions):

	December 31, 2021					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
United States government and agency securities	$ 85.1	$ (0.7)	$ —	$ —	$ 85.1	$ (0.7)
Asset-backed securities	433.3	(2.9)	—	—	433.3	(2.9)
Corporate debt securities	1,114.1	(8.3)	—	—	1,114.1	(8.3)
	$ 1,632.5	$ (11.9)	$ —	$ —	$ 1,632.5	$ (11.9)

The unrealized losses were largely due to changes in interest rates and were considered temporary. There were no investments that were in an unrealized loss position as of December 31, 2020.

Investments in Unconsolidated Entities

The Company has a number of equity investments in unconsolidated entities. These investments are recorded in "*Long-term Investments*" on the consolidated balance sheets, and are as follows:

	December 31,	
	2021	2020
	(in millions)	
Equity method investments		
Carrying value of equity method investments	$ 8.4	$ 5.7
Equity securities		
Carrying value of non-marketable equity securities	84.1	29.4
Total investments in unconsolidated entities	$ 92.5	$ 35.1

Non-marketable equity securities consist of investments in privately held companies without readily determinable fair values, and are reported at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. The Company recorded an upward adjustment of $4.2 million based on observable price changes during 2021, and an upward adjustment of $1.8 million based on observable price changes and a downward adjustment of $0.7 million due to an impairment during 2020. As of December 31, 2021, the Company had recorded cumulative upward adjustments of $8.0 million based on observable price changes, and cumulative downward adjustments of $2.6 million due to impairment and observable price changes.

In April 2021, the Company recorded $35.9 million related to its investment in a privately-held medical device company (the "Investee"), including an initial cash investment in the Investee's preferred equity securities and other consideration. Also, in April 2021, the Company paid $5.7 million, included in "*Other Assets,*" for an exclusive contingent option to acquire the Investee. Per the agreement, the Company may be required to invest up to an additional $9.9 million in the Investee's preferred equity securities and up to an additional $21.8 million for the option to acquire the Investee, depending on the achievement of certain milestones, of which the Company invested $10.8 million in the fourth quarter of 2021 upon achievement of the first milestone. The Company also agreed to loan the Investee up to $45 million under a secured promissory note. As of December 31, 2021, there had been no borrowings under this secured promissory note.

7. INVESTMENTS (Continued)

The Investee is a VIE; however, Edwards has determined that it is not the primary beneficiary of the VIE since Edwards does not have the power to direct the activities of the Investee that most significantly impact the Investee's economic performance. Edwards accounts for this investment as a non-marketable equity security under the measurement alternative.

During 2021, 2020, and 2019, the gross realized gains or losses from sales of available-for-sale investments were not material.

8. ACQUISITIONS

CAS Medical Systems, Inc.

On February 11, 2019, the Company entered into an agreement and plan of merger to acquire all the outstanding shares of CAS Medical Systems, Inc. ("CASMED") for an aggregate cash purchase price of $2.45 per share of common stock, or an equity value of approximately $100 million. The transaction closed on April 18, 2019, and the cash purchase price, net of cash acquired, was $100.2 million.

The results of operations for CASMED have been included in the accompanying consolidated financial statements from the date of acquisition. Pro forma results have not been presented as the results of CASMED are not material in relation to the consolidated financial statements of Edwards Lifesciences.

In-process Research and Development Assets

The Company acquired Harpoon Medical, Inc ("Harpoon") on December 1, 2017 and CardiAQ Valve Technologies, Inc. ("CardiAQ") on July 3, 2015. In-process research and development assets acquired as part of these transactions were capitalized at fair value, which was determined using the income approach. This approach determines fair value based on cash flow projections which are discounted to present value using a risk-adjusted rate of return. Completion of successful design developments, bench testing, pre-clinical studies and human clinical studies are required prior to selling any product. The risks and uncertainties associated with completing development within a reasonable period of time include those related to the design, development, and manufacturability of the product, the success of pre-clinical and clinical studies, and the timing of regulatory approvals.

The valuation for Harpoon assumed $41.4 million of additional research and development expenditures would be incurred prior to the date of product introduction. In the valuation, net cash inflows were modeled to commence in Europe in 2018, and in the United States and Japan in 2022. The Company does not currently anticipate significant changes to forecasted research and development expenditures, and net cash inflows commenced in Europe in 2020 and are now expected to commence in the United States and Japan in 2023.

The valuation for CardiAQ assumed $97.7 million of additional research and development expenditures would be incurred prior to the date of product introduction and that net cash inflows would commence in late 2018. As a result of certain design enhancements to increase the product's commercial life and applicability to a broader group of patients, the Company has incurred incremental research and development expenditures; however, the Company expects an increase in the net cash inflows, commencing in 2023.

Upon completion of development, the underlying research and development intangible assets will be amortized over their estimated useful lives.

Certain of the Company's business acquisitions involve contingent consideration arrangements. Payment of additional consideration in the future may be required, contingent upon the acquired business reaching certain performance milestones, such as attaining specified revenue levels or obtaining regulatory approvals. See Note 11 for further information.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and in-process research and development assets resulting from purchase business combinations are not subject to amortization. Other acquired intangible assets with finite lives are amortized over their expected useful lives on a straight-line basis, or if reliably determinable, based on the pattern in which the economic benefit of the asset is expected to be used. The Company expenses costs incurred to renew or extend the term of acquired intangible assets.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

The changes in the carrying amount of goodwill, by segment, during the years ended December 31, 2021 and 2020 were as follows:

	United States	Europe	Rest of World	Total
	(in millions)			
Goodwill at December 31, 2019	$ 773.7	$ 62.8	$ 331.2	$ 1,167.7
Currency translation adjustment	—	5.5	—	5.5
Goodwill at December 31, 2020	773.7	68.3	331.2	1,173.2
Currency translation adjustment	—	(5.3)	—	(5.3)
Goodwill at December 31, 2021	$ 773.7	$ 63.0	$ 331.2	$ 1,167.9

Other intangible assets consist of the following (in millions):

		December 31,					
		2021			2020		
	Weighted-Average Useful Life (in years)	Cost	Accumulated Amortization	Net Carrying Value	Cost	Accumulated Amortization	Net Carrying Value
Finite-lived intangible assets							
Patents	7.4	$ 185.7	$ (184.2)	$ 1.5	$ 186.1	$ (183.6)	$ 2.5
Developed technology	13.1	153.9	(55.5)	98.4	155.2	(51.0)	104.2
Other	10.0	12.4	(6.8)	5.6	12.6	(6.0)	6.6
	12.6	352.0	(246.5)	105.5	353.9	(240.6)	113.3
Indefinite-lived intangible assets							
In-process research and development		218.1	—	218.1	218.1	—	218.1
		$ 570.1	$ (246.5)	$ 323.6	$ 572.0	$ (240.6)	$ 331.4

Amortization expense related to other intangible assets for the years ended December 31, 2021, 2020, and 2019 was $7.7 million, $5.4 million, and $4.6 million, respectively. Estimated amortization expense for each of the years ending December 31 is as follows (in millions):

2022	$ 6.8
2023	8.4
2024	8.4
2025	10.2
2026	15.9

10. DEBT AND CREDIT FACILITIES

In June 2018, the Company issued $600.0 million of fixed-rate unsecured senior notes (the "Notes") due June 15, 2028. Interest is payable semi-annually in arrears, with payments due in June and December of each year. The Company may redeem the Notes, in whole or in part, at any time and from time to time at specified redemption prices. In addition, upon the occurrence of certain change of control triggering events, the Company may be required to repurchase all or a portion of the Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest. The Notes also include covenants that limit the Company's ability to incur secured indebtedness, enter into sale and leaseback transactions, and consolidate, merge, or transfer all or substantially all of its assets.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. DEBT AND CREDIT FACILITIES (Continued)

The following is a summary of the Notes as of December 31, 2021 and 2020:

	December 31,			
	2021		2020	
	Amount	Effective Interest Rate	Amount	Effective Interest Rate
	(in millions)		(in millions)	
Fixed-rate 4.300% 2018 Notes	$ 600.0	4.329 %	$ 600.0	4.329 %
Unamortized discount	(1.0)		(1.1)	
Unamortized debt issuance costs	(3.3)		(3.9)	
Total carrying amount	$ 595.7		$ 595.0	

As of December 31, 2021 and 2020, the fair value of the Notes was $675.4 million and $711.2 million, respectively, based on observable market prices in less active markets and categorized as Level 2 (Note 11). The debt issuance costs, as well as the discount, are being amortized to interest expense over the term of the Notes.

The Company has a Five-Year Credit Agreement ("the Credit Agreement") which matures on April 28, 2023. The Credit Agreement provides up to an aggregate of $750.0 million in borrowings in multiple currencies. The Company may increase the amount available under the Credit Agreement, subject to agreement of the lenders, by up to an additional $250.0 million in the aggregate. Borrowings generally bear interest at the London interbank offered rate ("LIBOR"), or a comparable or successor rate, plus a spread ranging from 0.9% to 1.3%, depending on the leverage ratio, as defined in the Credit Agreement. The Company also pays a facility fee ranging from 0.1% to 0.2%, depending on the leverage ratio, on the entire credit commitment available, whether drawn or not. The facility fee is expensed as incurred. During 2021, the spread over LIBOR was 0.9% and the facility fee was 0.1%. Issuance costs of $2.4 million are being amortized to interest expense over the term of the Credit Agreement. As of December 31, 2021 and 2020, there were no borrowings outstanding under the Credit Agreement. Amounts outstanding under the Credit Agreement, if any from time to time, are classified as long-term obligations in accordance with the terms of the Credit Agreement. The Credit Agreement is unsecured and contains various financial and other covenants, including a maximum leverage ratio, as defined in the Credit Agreement. The Company was in compliance with all covenants at December 31, 2021.

The weighted-average interest rate under all debt obligations was 3.4% and 3.5% at December 31, 2021 and 2020, respectively.

11. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Company prioritizes the inputs used to determine fair values in one of the following three categories:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Inputs, other than quoted prices in active markets, that are observable, either directly or indirectly.

Level 3—Unobservable inputs that are not corroborated by market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The consolidated financial statements include financial instruments for which the fair market value of such instruments may differ from amounts reflected on a historical cost basis. Financial instruments of the Company consist of cash deposits, accounts and other receivables, investments, accounts payable, certain accrued liabilities, and borrowings under a revolving credit agreement. The carrying value of these financial instruments generally approximates fair value due to their short-term nature. Financial instruments also include notes payable. See Note 10 for further information on the fair value of the notes payable.

11. FAIR VALUE MEASUREMENTS (Continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table summarizes the Company's financial instruments which are measured at fair value on a recurring basis as of December 31, 2021 and 2020 (in millions):

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 15.2	$ 30.7	$ —	$ 45.9
Available-for-sale investments:				
Bank time deposits	—	2.5	—	2.5
Corporate debt securities	—	1,390.8	—	1,390.8
Asset-backed securities	—	512.6	—	512.6
United States government and agency securities	28.4	118.9	—	147.3
Commercial paper	—	127.7	—	127.7
Municipal securities	—	2.8	—	2.8
Investments held for deferred compensation plans	130.7	—	—	130.7
Derivatives	—	55.3	—	55.3
	$ 174.3	$ 2,241.3	$ —	$ 2,415.6
Liabilities				
Derivatives	$ —	$ 3.9	$ —	$ 3.9
Deferred compensation plans	130.9	—	—	130.9
Contingent consideration liabilities	—	—	62.0	62.0
Other liability	—	—	14.0	14.0
	$ 130.9	$ 3.9	$ 76.0	$ 210.8
December 31, 2020				
Assets				
Cash equivalents	$ 16.2	$ —	$ —	$ 16.2
Available-for-sale investments:				
Bank time deposits	—	24.1	—	24.1
Corporate debt securities	—	608.3	—	608.3
Asset-backed securities	—	151.5	—	151.5
United States government and agency securities	56.9	92.2	—	149.1
Municipal securities	—	2.8	—	2.8
Investments held for deferred compensation plans	111.2	—	—	111.2
Derivatives	—	8.1	—	8.1
	$ 184.3	$ 887.0	$ —	$ 1,071.3
Liabilities				
Derivatives	$ —	$ 39.3	$ —	$ 39.3
Deferred compensation plans	111.6	—	—	111.6
Contingent consideration liabilities	—	—	186.1	186.1
	$ 111.6	$ 39.3	$ 186.1	$ 337.0

11. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the changes in fair value of the contingent consideration obligation for the years ended December 31, 2021 and 2020 (in millions):

	Contingent Consideration	Other Liability	Total
Fair value, December 31, 2019	$ 172.5	$ —	$ 172.5
Changes in fair value	13.6	—	13.6
Fair value, December 31, 2020	$ 186.1	$ —	$ 186.1
Additions	—	14.0	14.0
Changes in fair value	(124.1)	—	(124.1)
Fair value, December 31, 2021	$ 62.0	$ 14.0	$ 76.0

The change in fair value of the contingent consideration liabilities in 2021 was primarily driven by a $123.2 million reduction to the liability due to changes in the projected probabilities and timing of milestone achievements and the projected timing of cash inflows. The change in fair value of the contingent consideration liabilities in 2020 was primarily driven by the accretion of interest due to the passage of time and adjustments to discount rates, partially offset by a $12.7 million reduction to the liability due to changes in the projected probabilities and timing of milestone achievements and the projected timing of cash inflows.

Cash Equivalents and Available-for-sale Investments

The Company estimates the fair values of its money market funds based on quoted prices in active markets for identical assets. The Company estimates the fair values of its time deposits, commercial paper, United States and foreign government and agency securities, municipal securities, asset-backed securities, and corporate debt securities by taking into consideration valuations obtained from third-party pricing services. The pricing services use industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades and broker-dealer quotes on the same or similar securities, benchmark yields, credit spreads, prepayment and default projections based on historical data, and other observable inputs. The Company independently reviews and validates the pricing received from the third-party pricing service by comparing the prices to prices reported by a secondary pricing source. The Company’s validation procedures have not resulted in an adjustment to the pricing received from the pricing service.

Deferred Compensation Plans

The Company holds investments in trading securities related to its deferred compensation plans. The investments are in a variety of stock, bond, and money market mutual funds. The fair values of these investments and the corresponding liabilities are based on quoted market prices.

Derivative Instruments

The Company uses derivative financial instruments in the form of foreign currency forward exchange contracts and cross currency swap contracts to manage foreign currency exposures. All derivatives contracts are recognized on the balance sheet at their fair value. The fair value of the derivative financial instruments was estimated based on quoted market foreign exchange rates, cross currency swap basis rates, and market discount rates. Judgment was employed in interpreting market data to develop estimates of fair value; accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions or valuation methodologies could have a material effect on the estimated fair value amounts.

Contingent Consideration Liabilities

Certain of the Company's acquisitions involve contingent consideration arrangements. Payment of additional consideration is contingent upon the acquired company reaching certain performance milestones, such as attaining specified

11. FAIR VALUE MEASUREMENTS (Continued)

sales levels or obtaining regulatory approvals. These contingent consideration liabilities are measured at estimated fair value using either a probability weighted discounted cash flow analysis or a Monte Carlo simulation model, both of which consider significant unobservable inputs. These inputs include (1) the discount rate used to present value the projected cash flows (ranging from 0.06% to 9.26%; weighted average of 4.1%), (2) the probability of milestone achievement (ranging from 0% to 93.7%; weighted average of 59.2%), (3) the projected payment dates (ranging from 2026 to 2027; weighted average of 2026), and (4) the volatility of future sales (40.0%). The weighted average of each of the above inputs was determined based on the relative fair value of each obligation. The use of different assumptions could have a material effect on the estimated fair value amounts.

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to manage its currency exchange rate risk and its interest rate risk as summarized below. Notional amounts are stated in United States dollar equivalents at spot exchange rates at the respective dates. The Company does not enter into these arrangements for trading or speculation purposes.

	Notional Amount	
	December 31, 2021	December 31, 2020
	(in millions)	
Foreign currency forward exchange contracts	$ 1,498.8	$ 1,525.5
Cross currency swap contracts	300.0	300.0

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated balance sheets (in millions):

		Fair Value	
	Balance Sheet Location	December 31, 2021	December 31, 2020
Derivatives designated as hedging instruments			
Assets			
Foreign currency contracts	Other current assets	$ 36.2	$ 7.3
Cross currency swap contracts	Other assets	$ 19.1	$ 0.8
Liabilities			
Foreign currency contracts	Accrued and other liabilities	$ 3.9	$ 39.3

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

The following table presents the effect of master-netting agreements and rights of offset on the consolidated balance sheets (in millions):

December 31, 2021	Gross Amounts	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Derivative Assets						
Foreign currency contracts	$ 36.2	$ —	$ 36.2	$ (2.8)	$ —	$ 33.4
Cross currency swap contracts	$ 19.1	$ —	$ 19.1	$ —	$ —	$ 19.1
Derivative Liabilities						
Foreign currency contracts	$ 3.9	$ —	$ 3.9	$ (2.8)	$ —	$ 1.1
December 31, 2020						
Derivative Assets						
Foreign currency contracts	$ 7.3	$ —	$ 7.3	$ (6.1)	$ —	$ 1.2
Cross currency swap contracts	$ 0.8	$ —	$ 0.8	$ —	$ —	$ 0.8
Derivative Liabilities						
Foreign currency contracts	$ 39.3	$ —	$ 39.3	(6.1)	$ —	$ 33.2

The following tables present the effect of derivative and non-derivative hedging instruments on the consolidated statements of operations and consolidated statements of comprehensive income:

	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income	
	2021	2020		2021	2020
	(in millions)			(in millions)	
Cash flow hedges					
Foreign currency contracts	$ 56.7	$ (33.7)	Cost of sales	$ (23.0)	$ 18.4
			Selling, general, and administrative expenses	$ (0.6)	$ 2.2

	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated OCI into Income	Amount of Gain or (Loss) Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)	
	2021	2020		2021	2020
	(in millions)			(in millions)	
Net investment hedges					
Cross currency swap contracts	$ 18.4	$ (12.6)	Interest expense	$ 6.4	$ 6.4

The cross currency swap contracts have an expiration date of June 15, 2028. At maturity of the cross currency swap contracts, the Company will deliver the notional amount of €257.2 million and will receive $300.0 million from the counterparties. The Company will receive semi-annual interest payments from the counterparties based on a fixed interest rate until maturity of the agreements.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative		
		2021	2020	2019
		(in millions)		
Fair value hedges				
Foreign currency contracts	Other income, net	$ 11.6	$ (1.4)	$ 1.4

	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative		
		2021	2020	2019
		(in millions)		
Derivatives not designated as hedging instruments				
Foreign currency contracts	Other income, net	$ 27.4	$ (15.1)	$ 0.3

The following table presents the effect of fair value and cash flow hedge accounting on the consolidated statements of operations:

	Location and Amount of Gain or (Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships		
	Twelve Months Ended December 31, 2021		
	Cost of sales	Selling, general, and administrative expenses	Other Income, net
Total amounts of income and expense line items shown in the consolidated statements of operations in which the effects of fair value or cash flow hedges are recorded	$ (1,248.9)	$ (1,493.7)	$ 12.7
The effects of fair value and cash flow hedging:			
Gain (loss) on fair value hedging relationships:			
Foreign currency contracts:			
Hedged items	—	—	(9.0)
Derivatives designated as hedging instruments	—	—	9.0
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	—	—	2.6
Gain (loss) on cash flow hedging relationships:			
Foreign currency contracts:			
Amount of gain (loss) reclassified from accumulated OCI into income	(23.0)	(0.6)	—

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

	Location and Amount of Gain or (Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships		
	Twelve Months Ended December 31, 2020		
	Cost of sales	Selling, general, and administrative expenses	Other Income, net
Total amounts of income and expense line items shown in the consolidated statements of operations in which the effects of fair value or cash flow hedges are recorded	$ (1,080.6)	$ (1,228.4)	$ 11.5
The effects of fair value and cash flow hedging:			
Gain (loss) on fair value hedging relationships:			
Foreign currency contracts:			
Hedged items	—	—	4.8
Derivatives designated as hedging instruments	—	—	(4.8)
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach	—	—	3.4
Gain (loss) on cash flow hedging relationships:			
Foreign currency contracts:			
Amount of gain (loss) reclassified from accumulated OCI into income	18.4	2.2	—

The Company expects that during 2022 it will reclassify to earnings a $7.8 million gain currently recorded in "*Accumulated Other Comprehensive Loss*." For the years ended December 31, 2021, 2020, and 2019, the Company did not record any gains or losses due to hedge ineffectiveness.

13. EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

The Company maintains defined benefit pension plans in Japan and certain European countries.

	Years Ended December 31,	
	2021	2020
	(in millions)	
Change in projected benefit obligation:		
Beginning of year	$ 126.2	$ 105.2
Service cost	6.5	6.3
Interest cost	0.4	0.5
Participant contributions	1.5	1.5
Actuarial loss	(6.1)	2.9
Benefits paid	(2.5)	(0.6)
Plan amendment	(0.5)	—
Currency exchange rate changes and other	(7.6)	10.4
End of year	$ 117.9	$ 126.2
Change in fair value of plan assets:		
Beginning of year	$ 73.3	$ 63.2
Actual return on plan assets	5.8	0.4
Employer contributions	3.1	2.8
Participant contributions	1.5	1.5
Benefits paid	(2.5)	(0.6)
Currency exchange rate changes and other	(4.3)	6.0
End of year	$ 76.9	$ 73.3
Funded Status		
Projected benefit obligation	$ (117.9)	$ (126.2)
Plan assets at fair value	76.9	73.3
Underfunded status	$ (41.0)	$ (52.9)
Net amounts recognized on the consolidated balance sheet:		
Other long-term liabilities	$ 41.0	$ 52.9
Accumulated other comprehensive loss, net of tax:		
Net actuarial loss	$ (16.4)	$ (30.8)
Net prior service cost	6.0	6.6
Deferred income tax benefit	2.4	4.6
Total	$ (8.0)	$ (19.6)

The accumulated benefit obligation ("ABO") for all defined benefit pension plans was $113.3 million and $120.9 million as of December 31, 2021 and 2020, respectively. The projected benefit obligation and ABO were in excess of plan assets for all pension plans as of December 31, 2021 and 2020.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE BENEFIT PLANS (Continued)

The components of net periodic pension benefit cost are as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
Service cost, net	$ 6.5	$ 6.3	$ 5.2
Interest cost	0.4	0.5	0.9
Expected return on plan assets	(1.1)	(1.0)	(1.4)
Amortization of actuarial loss	1.7	1.6	0.9
Amortization of prior service credit	(0.7)	(0.7)	(0.2)
Net periodic pension benefit cost	$ 6.8	$ 6.7	$ 5.4

Expected long-term returns for each of the plans' strategic asset classes were developed through consultation with investment advisors. Several factors were considered, including a survey of investment managers' expectations, current market data, minimum guaranteed returns in certain insurance contracts, and historical market returns over long periods. Using policy target allocation percentages and the asset class expected returns, a weighted-average expected return was calculated.

To select the discount rates for the defined benefit pension plans, the Company uses a modeling process that involves matching the expected duration of its benefit plans to a yield curve constructed from a portfolio of AA-rated fixed-income debt instruments, or their equivalent. For each country, the Company uses the implied yield of this hypothetical portfolio at the appropriate duration as a discount rate benchmark.

The weighted-average assumptions used to determine the benefit obligations are as follows:

	December 31,	
	2021	2020
Discount rate	0.5 %	0.3 %
Rate of compensation increase	2.6 %	2.6 %
Cash balance interest crediting rate	2.5 %	2.5 %
Social securities increase	1.6 %	1.6 %
Pension increase	1.8 %	1.8 %

The weighted-average assumptions used to determine the net periodic pension benefit cost are as follows:

	Years ended December 31,		
	2021	2020	2019
Discount rate	0.3 %	0.5 %	0.9 %
Expected return on plan assets	1.5 %	1.5 %	2.3 %
Rate of compensation increase	2.6 %	2.7 %	2.8 %
Cash balance interest crediting rate	2.5 %	1.5 %	1.5 %
Social securities increase	1.6 %	1.6 %	1.8 %
Pension increase	1.8 %	1.8 %	1.8 %

Plan Assets

The Company's investment strategy for plan assets is to seek a competitive rate of return relative to an appropriate level of risk and to earn performance rates of return in accordance with the benchmarks adopted for each asset class. Risk management practices include diversification across asset classes and investment styles, and periodic rebalancing toward asset allocation targets.

13. EMPLOYEE BENEFIT PLANS (Continued)

The Administrative and Investment Committee decides on the defined benefit plan provider in each location and that provider decides the target allocation for the Company's defined benefit plan at that location. The target asset allocation selected reflects a risk/return profile the Company feels is appropriate relative to the plans' liability structure and return goals. In certain plans, asset allocations may be governed by local requirements. Target weighted-average asset allocations at December 31, 2021, by asset category, are as follows:

Equity securities	28.3 %
Debt securities	41.7 %
Real estate	9.8 %
Other	20.2 %
Total	100.0 %

The fair values of the Company's defined benefit plan assets at December 31, 2021 and 2020, by asset category, are as follows (in millions):

December 31, 2021	Level 1	Level 2	Level 3	Total
Asset Category				
Cash	$ 5.4	$ —	$ —	$ 5.4
Equity securities:				
United States equities	1.6	—	—	1.6
International equities	16.3	—	—	16.3
Debt securities:				
United States government bonds	6.2	—	—	6.2
International government bonds	26.3	—	—	26.3
Real estate	—	7.6	—	7.6
Mortgages	—	3.5	—	3.5
Insurance contracts	—	—	0.9	0.9
Total plan assets measured at fair value	$ 55.8	$ 11.1	$ 0.9	$ 67.8
Alternative investments measured at net asset value (a)				9.1
Total plan assets				$ 76.9

13. EMPLOYEE BENEFIT PLANS (Continued)

December 31, 2020	Level 1	Level 2	Level 3	Total
Asset Category				
Cash	$ 3.0	$ —	$ —	$ 3.0
Equity securities:				
United States equities	3.3	—	—	3.3
International equities	16.1	—	—	16.1
Debt securities:				
United States government bonds	7.4	—	—	7.4
International government bonds	26.0	—	—	26.0
Real estate	—	5.6	—	5.6
Mortgages	—	3.1	—	3.1
Insurance contracts	—	—	1.0	1.0
Total plan assets	$ 55.8	$ 8.7	$ 1.0	$ 65.5
Alternative investments measured at net asset value (a)				7.8
Total plan assets				$ 73.3

(a) Certain investments that were measured at net asset value per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total plan assets.

The following table summarizes the changes in fair value of the Company's defined benefit plan assets that have been classified as Level 3 for the years ended December 31, 2021 and 2020 (in millions):

	Insurance Contracts
Balance at December 31, 2019	$ 0.9
Currency exchange rate impact	0.1
Balance at December 31, 2020	1.0
Currency exchange rate impact	(0.1)
Balance at December 31, 2021	$ 0.9

Equity and debt securities are valued at fair value based on quoted market prices reported on the active markets on which the individual securities are traded. Real estate investments are valued by discounting to present value the cash flows expected to be generated by the specific properties. Investments in mortgages are valued at cost, which is deemed to approximate its fair value. The insurance contracts are valued at the cash surrender value of the contracts, which is deemed to approximate its fair value. Alternative investments include hedge funds, private equity funds and other miscellaneous investments, and are valued using the net asset value provided by the fund administrator as a practical expedient. The net asset value is based on the fair value of the underlying assets owned by the fund divided by the number of shares outstanding.

13. EMPLOYEE BENEFIT PLANS (Continued)

The following benefit payments, which reflect expected future service, as appropriate, at December 31, 2021, are expected to be paid (in millions):

2022	$ 5.4
2023	6.7
2024	5.6
2025	5.2
2026	6.1
2024-2026	36.1

As of December 31, 2021, expected employer contributions for 2022 are $2.2 million.

Defined Contribution Plans

The Company's employees in the United States and Puerto Rico are eligible to participate in a qualified defined contribution plan. In the United States, participants may contribute up to 25% of their eligible compensation (subject to tax code limitation) to the plan. Edwards Lifesciences matches the first 4% of the participant's annual eligible compensation contributed to the plan on a dollar-for-dollar basis. Edwards Lifesciences matches the next 2% of the participant's annual eligible compensation to the plan on a 50% basis. In Puerto Rico, participants may contribute up to 25% of their annual compensation (subject to tax code limitation) to the plan. Edwards Lifesciences matches the first 4% of participant's annual eligible compensation contributed to the plan on a 50% basis. The Company also provides a 2% profit sharing contribution calculated on eligible earnings for each employee. Matching contributions relating to Edwards Lifesciences employees were $38.6 million, $36.6 million, and $31.4 million in 2021, 2020, and 2019, respectively.

The Company also has nonqualified deferred compensation plans for a select group of employees. The plans provide eligible participants the opportunity to defer eligible compensation to future dates specified by the participant with a return based on investment alternatives selected by the participant. The amount accrued under these nonqualified plans was $130.9 million and $111.6 million at December 31, 2021 and 2020, respectively.

14. COMMON STOCK

Treasury Stock

In May 2019, the Board of Directors approved a stock repurchase program authorizing the Company to purchase up to $1.0 billion of the Company's common stock. In May 2021, the Board of Directors approved a new stock repurchase program for an additional $1.0 billion of the Company's common stock. The repurchase programs do not have an expiration date. Stock repurchased under these programs may be used to offset obligations under the Company's employee stock-based benefit programs and stock-based business acquisitions, and will reduce the total shares outstanding.

During 2021, 2020, and 2019, the Company repurchased 5.8 million, 3.1 million, and 1.5 million shares, respectively, at an aggregate cost of $512.8 million, $625.4 million, and $263.3 million, respectively, including shares purchased under the accelerated share repurchase ("ASR") agreements described below and shares acquired to satisfy tax withholding obligations in connection with the vesting of restricted stock units issued to employees. The timing and size of any future stock repurchases are subject to a variety of factors, including expected dilution from stock plans, cash capacity, and the market price of the Company's common stock.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. COMMON STOCK (Continued)

Accelerated Share Repurchase

During 2021 and 2019, the Company entered into ASR agreements providing for the repurchase of the Company's common stock based on the volume-weighted average price ("VWAP") of the Company's common stock during the term of the agreements, less a discount. The following table summarizes the terms of the ASR agreements (dollars and shares in millions, except per share data):

		Initial Delivery			Final Settlement		
Agreement Date	Amount Paid	Shares Received	Price per Share (a)	Value of Shares as % of Contract Value	Settlement Date	Total Shares Received	Average Price per Share (a)
May 2019	$ 150.0	0.7	$ 178.66	80 %	May 2019	0.8	$ 178.42
May 2019	$ 100.0	0.5	$ 170.02	80 %	June 2019	0.6	$ 178.46
February 2021	$ 250.0	2.4	$ 83.86	80 %	March 2021	3.0	$ 84.51

(a) The three-for-one stock split distributed on May 29, 2020 excluded treasury shares. The shares and per share prices in the table are reflected at the pre-split amounts and prices at the time of the transaction.

The ASR agreements were accounted for as two separate transactions: (1) the value of the initial delivery of shares was recorded as shares of common stock acquired in a treasury stock transaction on the acquisition date and (2) the remaining amount of the purchase price paid was recorded as a forward contract indexed to the Company's own common stock and was recorded in "*Additional Paid-in Capital*" on the consolidated balance sheets. The initial delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share. The Company determined that the forward contract indexed to the Company's common stock met all the applicable criteria for equity classification and, therefore, was not accounted for as a derivative instrument.

Employee and Director Stock Plans

The Edwards Lifesciences Corporation Long-term Stock Incentive Compensation Program (the "Program") provides for the grant of incentive and non-qualified stock options, restricted stock, and restricted stock units for eligible employees of the Company. Under the Program, these grants are awarded at a price equal to the fair market value at the date of grant based upon the closing price on that date. Options to purchase shares of the Company's common stock granted under the Program generally vest over predetermined periods of between three to four years and expire seven years after the date of grant. Service-based restricted stock units of the Company's common stock granted under the Program generally vest over predetermined periods, typically four years after the date of grant. Market-based restricted stock units of the Company's common stock granted under the Program vest over three years based on a combination of certain service and market conditions. The actual number of shares issued will be determined based on the Company's total stockholder return relative to a selected industry peer group. Under the Program, the number of shares of common stock authorized for issuance under the Program was 327.6 million shares. No more than 33.6 million shares reserved for issuance may be granted in the form of restricted stock or restricted stock units.

The Company also maintains the Nonemployee Directors Stock Incentive Compensation Program (the "Nonemployee Directors Program"). Under the Nonemployee Directors Program, annually each nonemployee director may receive up to 120,000 stock options or 48,000 restricted stock units of the Company's common stock, or a combination thereof, provided that in no event may the total value of the combined annual award exceed $0.2 million. These grants generally vest over one year from the date of grant. Under the Nonemployee Directors Program, an aggregate of 8.4 million shares of the Company's common stock has been authorized for issuance.

The Company has an employee stock purchase plan for United States employees and a plan for employees outside of the United States (collectively "ESPP"). Under the ESPP, eligible employees may purchase shares of the Company's common stock at 85% of the lower of the fair market value of Edwards Lifesciences common stock on the effective date of subscription or the date of purchase. Under the ESPP, employees can authorize the Company to withhold up to 15% of their compensation for common stock purchases, subject to certain limitations. The ESPP is available to all active employees of the Company paid from the United States payroll and to eligible employees of the Company outside of the United States, to the extent permitted

14. COMMON STOCK (Continued)

by local law. The ESPP for United States employees is qualified under Section 423 of the Internal Revenue Code. The number of shares of common stock authorized for issuance under the ESPP was 50.4 million shares.

The fair value of each option award and employee stock purchase subscription is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following tables. The risk-free interest rate is estimated using the United States Treasury yield curve and is based on the expected term of the award. Expected volatility is estimated based on a blend of the weighted-average of the historical volatility of Edwards Lifesciences' stock and the implied volatility from traded options on Edwards Lifesciences' stock. The expected term of awards granted is estimated from the vesting period of the award, as well as historical exercise behavior, and represents the period of time that awards granted are expected to be outstanding. The Company uses historical data to estimate forfeitures and has estimated an annual forfeiture rate of 6.4%.

The Black-Scholes option pricing model was used with the following weighted-average assumptions for options granted during the following periods:

Option Awards

	2021	2020	2019
Average risk-free interest rate	0.8 %	0.3 %	2.3 %
Expected dividend yield	None	None	None
Expected volatility	34 %	33 %	30 %
Expected life (years)	5.0	5.0	5.1
Fair value, per share	$ 28.90	$ 21.70	$ 18.17

The Black-Scholes option pricing model was used with the following weighted-average assumptions for ESPP subscriptions granted during the following periods:

ESPP

	2021	2020	2019
Average risk-free interest rate	0.1 %	1.3 %	2.4 %
Expected dividend yield	None	None	None
Expected volatility	37 %	33 %	27 %
Expected life (years)	0.6	0.6	0.6
Fair value, per share	$ 23.07	$ 16.61	$ 16.43

The fair value of market-based restricted stock units was determined using a Monte Carlo simulation model, which uses multiple input variables to determine the probability of satisfying the market condition requirements. The weighted-average assumptions used to determine the fair value of the market-based restricted stock units during the years ended December 31, 2021, 2020, and 2019 included a risk-free interest rate of 0.4%, 0.2%, and 2.2%, respectively, and an expected volatility rate of 34.4%, 32.7%, and 29.4%, respectively.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. COMMON STOCK (Continued)

Stock option activity during the year ended December 31, 2021 under the Program and the Nonemployee Directors Program was as follows (in millions, except years and per-share amounts):

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2020	14.3	$ 41.27		
Options granted	1.6	94.04		
Options exercised	(3.4)	23.84		
Options forfeited	(0.2)	67.89		
Outstanding as of December 31, 2021	12.3	52.84	3.5 years	$ 943.1
Exercisable as of December 31, 2021	8.2	41.84	2.6 years	$ 719.7
Vested and expected to vest as of December 31, 2021	11.7	51.74	3.4 years	$ 911.4

The following table summarizes nonvested restricted stock unit activity during the year ended December 31, 2021 under the Program and the Nonemployee Directors Program (in millions, except per-share amounts):

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested as of December 31, 2020	2.6	$ 57.59
Granted (a)	0.8	92.95
Vested	(1.0)	48.82
Forfeited	(0.1)	66.54
Nonvested as of December 31, 2021	2.3	73.94

(a) The shares granted include 0.1 million shares of market-based restricted stock units granted during 2021, which represents the target number of shares to be issued, and 0.1 million shares related to a previous year's grant of market-based restricted stock units since the payout percentage achieved at the end of the performance period was in excess of target. As described above, the actual number of shares ultimately issued is determined based on the Company's total stockholder return relative to a selected industry peer group.

The intrinsic value of stock options exercised and restricted stock units vested during the years ended December 31, 2021, 2020, and 2019 were $359.8 million, $323.5 million, and $382.1 million, respectively. The intrinsic value of stock options is calculated as the amount by which the market price of the Company's common stock exceeds the exercise price of the option. During the years ended December 31, 2021, 2020, and 2019, the Company received cash from exercises of stock options of $82.2 million, $79.2 million, and $110.4 million, respectively, and tax benefits from exercises of stock options and vesting of restricted stock units of $76.5 million, $72.1 million, and $85.1 million, respectively. The total grant-date fair value of stock options vested during the years ended December 31, 2021, 2020, and 2019 were $36.2 million, $34.0 million, and $31.2 million, respectively.

As of December 31, 2021, the total remaining unrecognized compensation expense related to nonvested stock options, restricted stock units, and employee stock purchase subscriptions amounted to $162.3 million, which will be amortized over the weighted-average remaining requisite service period of 30 months.

15. ACCUMULATED OTHER COMPREHENSIVE LOSS

Presented below is a summary of activity for each component of "*Accumulated Other Comprehensive Loss*" for the years ended December 31, 2021, 2020, and 2019.

	Foreign Currency Translation Adjustments	Unrealized Gain (Loss) on Hedges	Unrealized (Loss) Gain on Available-for-sale Investments	Unrealized Pension Costs (a)	Total Accumulated Other Comprehensive Loss
			(in millions)		
December 31, 2018	$ (143.6)	$ 23.6	$ (5.0)	$ (13.5)	$ (138.5)
Other comprehensive (loss) income before reclassifications	(1.5)	27.9	7.9	(3.2)	31.1
Amounts reclassified from accumulated other comprehensive loss	(6.6)	(44.2)	0.4	0.7	(49.7)
Deferred income tax (expense) benefit	(3.1)	5.2	(1.6)	0.6	1.1
December 31, 2019	(154.8)	12.5	1.7	(15.4)	(156.0)
Other comprehensive income (loss) before reclassifications	35.7	(34.8)	8.0	(5.5)	3.4
Amounts reclassified from accumulated other comprehensive loss	(6.4)	(19.2)	0.3	0.9	(24.4)
Deferred income tax benefit (expense)	3.1	13.8	(1.4)	0.4	15.9
December 31, 2020	(122.4)	(27.7)	8.6	(19.6)	(161.1)
Other comprehensive (loss) income before reclassifications	(39.2)	66.3	(29.2)	12.8	10.7
Amounts reclassified from accumulated other comprehensive loss	(6.4)	12.0	8.6	1.0	15.2
Deferred income tax (expense) benefit	(4.5)	(20.9)	5.1	(2.2)	(22.5)
December 31, 2021	$ (172.5)	$ 29.7	$ (6.9)	$ (8.0)	$ (157.7)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

(a) For the years ended December 31, 2021, 2020, and 2019, the change in unrealized pension costs consisted of the following (in millions):

	Pre-Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
2021			
Prior service credit arising during period	$ 0.1	$ —	$ 0.1
Amortization of prior service credit	(0.7)	0.1	(0.6)
Net prior service cost arising during period	(0.6)	0.1	(0.5)
Net actuarial loss arising during period	14.4	(2.3)	12.1
Unrealized pension costs, net	$ 13.8	$ (2.2)	$ 11.6
2020			
Prior service credit arising during period	$ 0.6	$ (0.2)	$ 0.4
Amortization of prior service credit	(0.7)	0.1	(0.6)
Net prior service cost arising during period	(0.1)	(0.1)	(0.2)
Net actuarial loss arising during period	(4.5)	0.5	(4.0)
Unrealized pension costs, net	$ (4.6)	$ 0.4	$ (4.2)
2019			
Prior service credit arising during period	$ 4.6	$ (0.6)	$ 4.0
Amortization of prior service credit	(0.2)	0.1	(0.1)
Net prior service credit arising during period	4.4	(0.5)	3.9
Net actuarial loss arising during period	(6.9)	1.1	(5.8)
Unrealized pension costs, net	$ (2.5)	$ 0.6	$ (1.9)

The following table provides information about amounts reclassified from "*Accumulated Other Comprehensive Loss*" (in millions):

Details about Accumulated Other Comprehensive Loss Components	Years Ended December 31, 2021	Years Ended December 31, 2020	Affected Line on Consolidated Statements of Operations
Foreign currency translation adjustments	$ 6.4	$ 6.4	Other income, net
	(1.6)	(1.6)	Provision for income taxes
	$ 4.8	$ 4.8	Net of tax
Gain (loss) on hedges	$ (23.0)	$ 18.4	Cost of sales
	(0.6)	2.2	Selling, general, and administrative expenses
	11.6	(1.4)	Other income, net
	(12.0)	19.2	Total before tax
	4.6	(5.0)	Provision for income taxes
	$ (7.4)	$ 14.2	Net of tax
(Loss) gain on available-for-sale investments	$ (8.6)	$ (0.3)	Other income, net
	2.1	(0.6)	Provision for income taxes
	$ (6.5)	$ (0.9)	Net of tax
Amortization of pension adjustments	$ (1.0)	$ (0.9)	Other income, net
	0.1	0.2	Provision for income taxes
	$ (0.9)	$ (0.7)	Net of tax

16. OTHER INCOME, NET

	Years Ended December 31,		
	2021	2020	2019
	(in millions)		
Foreign exchange gains, net	$ (5.0)	$ (12.3)	$ (5.9)
Gain on investments	(5.8)	(0.6)	(0.5)
Non-service cost components of net periodic pension benefit cost	0.3	0.4	0.2
Other	(2.2)	1.0	(2.0)
Total other income, net	$ (12.7)	$ (11.5)	$ (8.2)

17. INCOME TAXES

The Company's income before provision for income taxes was generated from operations in the United States and outside of the United States as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
United States	$ 610.9	$ 151.3	$ 383.4
Outside of the United States, including Puerto Rico	1,091.1	765.4	783.1
	$ 1,702.0	$ 916.7	$ 1,166.5

The provision for income taxes consists of the following (in millions):

	Years Ended December 31,		
	2021	2020	2019
Current			
United States:			
Federal	$ 125.2	$ 23.4	$ 31.3
State and local	25.1	48.2	48.7
Outside of the United States, including Puerto Rico	92.6	73.9	29.1
Current income tax expense	$ 242.9	$ 145.5	$ 109.1
Deferred			
United States:			
Federal	$ (9.4)	$ 11.0	$ 28.3
State and local	(25.4)	(32.9)	(18.3)
Outside of the United States, including Puerto Rico	(9.2)	(30.3)	0.5
Deferred income tax (benefit) expense	(44.0)	(52.2)	10.5
Total income tax provision	$ 198.9	$ 93.3	$ 119.6

17. INCOME TAXES (Continued)

The components of deferred tax assets and liabilities are as follows (in millions):

	December 31,	
	2021	2020
Deferred tax assets		
Compensation and benefits	$ 109.8	$ 88.6
Benefits from uncertain tax positions	33.9	27.0
Net tax credit carryforwards	142.0	125.5
Net operating loss carryforwards	69.4	64.1
Accrued liabilities	108.0	105.0
Inventories	13.5	16.3
Cash flow and net investment hedges	—	3.3
State income taxes	0.4	0.5
Investments	0.7	1.8
Lease liability obligations	6.6	7.7
Other	1.3	3.6
Total deferred tax assets	485.6	443.4
Deferred tax liabilities		
Property, plant, and equipment	(64.1)	(53.4)
Cash flow and net investment hedges	(6.4)	—
Deferred tax on foreign earnings	(26.3)	(29.2)
Right-of-use assets	(6.1)	(7.0)
Other intangible assets	(75.5)	(76.3)
Other	(2.6)	(3.1)
Total deferred tax liabilities	(181.0)	(169.0)
Valuation allowance	(82.5)	(71.6)
Net deferred tax assets	$ 222.1	$ 202.8

During 2021, net deferred tax assets increased $19.3 million, including items that were recorded to stockholders' equity and which did not impact the Company's income tax provision.

The valuation allowance of $82.5 million as of December 31, 2021 reduces certain deferred tax assets to amounts that are more likely than not to be realized. This allowance primarily relates to the net operating loss carryforwards of certain non-United States subsidiaries and certain non-United States credit carryforwards.

17. INCOME TAXES (Continued)

Net operating loss and capital loss carryforwards and the related carryforward periods at December 31, 2021 are summarized as follows (in millions):

	Carryforward Amount	Tax Benefit Amount	Valuation Allowance	Net Tax Benefit	Carryforward Period Ends
United States federal net operating losses	$ 17.6	$ 3.7	$ —	$ 3.7	2030-2037
United States federal net operating losses	11.3	2.4	—	2.4	Indefinite
United States state net operating losses	33.5	1.6	(1.6)	—	2026-2039
United States state net operating losses	1.0	0.1	(0.1)	—	Indefinite
Non-United States net operating losses	5.8	1.5	(1.2)	0.3	2022-2028
Non-United States net operating losses	353.3	60.1	(50.8)	9.3	Indefinite
United States capital losses	34.1	0.2	(0.2)	—	2024
Total	$ 456.6	$ 69.6	$ (53.9)	$ 15.7	

Certain tax attributes are subject to an annual limitation as a result of the acquisitions of Harpoon and CASMED, which constitute a change of ownership as defined under Internal Revenue Code Section 382.

The gross tax credit carryforwards and the related carryforward periods at December 31, 2021 are summarized as follows (in millions):

	Carryforward Amount	Valuation Allowance	Net Tax Benefit	Carryforward Period Ends
California research expenditure tax credits	$ 167.0	$ —	$ 167.0	Indefinite
Federal research expenditure tax credits	1.5	—	1.5	2026-2039
Foreign tax credits	2.9	(2.9)	—	2030-2031
Puerto Rico purchases credit	23.4	(23.4)	—	Indefinite
Total	$ 194.8	$ (26.3)	$ 168.5	

The Company has $167.0 million of California research expenditure tax credits it expects to use in future periods. The credits may be carried forward indefinitely. Based upon anticipated future taxable income, the Company expects that it is more likely than not that all California research expenditure tax credits will be utilized, although the utilization of the full benefit is expected to occur over a number of years into the distant future. Accordingly, no valuation allowance has been provided. The Company has $23.4 million of Puerto Rico purchases credit. Throughout its history and into the future, the Puerto Rico operations generate, or are expected to generate, credits each year in excess of its ability to utilize credits in those years. As a result, even though the credits have an indefinite life, the Company continues to record a valuation allowance on the credit carryforwards.

On December 22, 2017, Public Law 115-97, commonly referred to as the Tax Cuts and Jobs Act (the "2017 Act"), was signed into law. The 2017 Act a) reduced the United States federal corporate tax rate from 35 percent to 21 percent for tax years beginning after December 31, 2017, b) required companies to pay a one-time mandatory deemed repatriation tax on the cumulative earnings of certain foreign subsidiaries that were previously tax deferred, and c) created new taxes on certain foreign earnings in future years. The Company elected to pay the repatriation tax in installments over eight years.

The Company asserts that $1.0 billion of its foreign earnings continue to be indefinitely reinvested and it intends to repatriate $392.9 million of its foreign earnings as of December 31, 2021. The estimated net tax liability on the indefinitely reinvested earnings if repatriated is $23.1 million.

The Company has received tax incentives in certain non-United States tax jurisdictions, the primary benefit for which will expire in 2029. The tax reductions as compared to the local statutory rates were $208.0 million ($0.33 per diluted share), $189.2 million ($0.30 per diluted share), and $159.2 million ($0.25 per diluted share) for the years ended December 31, 2021, 2020, and 2019, respectively.

17. INCOME TAXES (Continued)

A reconciliation of the United States federal statutory income tax rate to the Company's effective income tax rate is as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
Income tax expense at United States federal statutory rate	$ 357.4	$ 192.5	$ 245.0
Foreign income taxed at different rates	(122.2)	(80.5)	(75.0)
State and local taxes, net of federal tax benefit	11.9	5.0	11.9
Tax credits, federal and state	(48.4)	(43.1)	(42.9)
Build of reserve for prior years' uncertain tax positions	3.6	4.2	5.0
Tax on global intangible low-taxed income	56.5	49.2	32.0
Foreign-derived intangible income deduction	(1.3)	(2.6)	(7.2)
Contingent consideration liabilities	(26.1)	2.9	(1.3)
United States federal deductible employee share-based compensation	(47.8)	(48.3)	(57.6)
Nondeductible employee share-based compensation	5.3	4.2	3.2
Other	10.0	9.8	6.5
Income tax provision	$ 198.9	$ 93.3	$ 119.6

The Company's effective tax rate for 2021 increased in comparison to 2020 primarily due to the tax benefit from the Settlement Agreement with Abbott in 2020 (see Note 3) and the decrease in the excess tax benefit from employee share-based compensation, partially offset by the tax benefit from the change in fair value of contingent consideration liabilities. The Company's effective tax rate for 2020 decreased slightly in comparison to 2019 primarily due to the tax benefit from the Settlement Agreement with Abbott in 2020, partially offset by the increase in the United States tax on global intangible low-taxed income and the decrease in the excess tax benefit from employee share-based compensation.

Uncertain Tax Positions

As of December 31, 2021 and 2020, the gross uncertain tax positions were $358.4 million and $281.8 million, respectively. The Company estimates that these liabilities would be reduced by $135.1 million and $95.1 million, respectively, from offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, state income taxes, and timing adjustments. The net amounts of $223.3 million and $186.7 million, respectively, if not required, would favorably affect the Company's effective tax rate.

A reconciliation of the beginning and ending amount of uncertain tax positions, excluding interest, penalties, and foreign exchange, is as follows (in millions):

	December 31,		
	2021	2020	2019
Uncertain gross tax positions, January 1	$ 281.8	$ 203.1	$ 150.7
Current year tax positions	82.1	86.4	55.4
Increase in prior year tax positions	2.3	6.0	0.8
Decrease in prior year tax positions	(4.8)	(10.0)	(3.8)
Settlements	(0.3)	(3.7)	—
Lapse of statutes of limitations	(2.7)	—	—
Uncertain gross tax positions, December 31	$ 358.4	$ 281.8	$ 203.1

The table above summarizes the gross amounts of uncertain tax positions without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such uncertain tax positions were settled.

17. INCOME TAXES (Continued)

The Company recognizes interest and penalties, if any, related to uncertain tax positions in the provision for income taxes. As of December 31, 2021, the Company had accrued $19.5 million (net of $8.1 million tax benefit) of interest related to uncertain tax positions, and as of December 31, 2020, the Company had accrued $14.3 million (net of $5.1 million tax benefit) of interest related to uncertain tax positions. During 2021, 2020, and 2019, the Company recognized interest expense, net of tax benefit, of $5.2 million, $5.0 million, and $4.7 million, respectively, in "*Provision for Income Taxes*" on the consolidated statements of operations.

In the normal course of business, the Internal Revenue Service ("IRS") and other taxing authorities are in different stages of examining various years of the Company's tax filings. During these audits, the Company may receive proposed audit adjustments that could be material. Therefore, there is a possibility that an adverse outcome in these audits could have a material effect on the Company's results of operations and financial condition. The Company strives to resolve open matters with each tax authority at the examination level and could reach agreement with a tax authority at any time. While the Company has accrued for matters it believes are more likely than not to require settlement, the final outcome with a tax authority may result in a tax liability that is more or less than that reflected in the consolidated financial statements. Furthermore, the Company may later decide to challenge any assessments, if made, and may exercise its right to appeal. The uncertain tax positions are reviewed quarterly and adjusted as events occur that affect potential liabilities for additional taxes, such as lapsing of applicable statutes of limitations, proposed assessments by tax authorities, negotiations between tax authorities, identification of new issues, and issuance of new legislation, regulations, or case law. Management believes that adequate amounts of tax and related penalty and interest have been provided in income tax expense for any adjustments that may result from these uncertain tax positions.

At December 31, 2021, all material state, local, and foreign income tax matters have been concluded for years through 2015. While not material, the Company continues to address matters in India for years from 2010.

The Company executed an Advance Pricing Agreement (“APA”) in 2018 between the United States and Switzerland governments for tax years 2009 through 2020 covering various, but not all, transfer pricing matters. The unagreed transfer pricing matters, namely Surgical Structural Heart and Transcatheter Aortic Valve Replacement (collectively "Surgical/TAVR") intercompany royalty transactions, then reverted to IRS Examination for further consideration as part of the respective years' regular tax audits. In addition, the Company executed other bilateral APAs as follows: during 2017, an APA between the United States and Japan covering tax years 2015 through 2019; and during 2018, APAs between Japan and Singapore and between Switzerland and Japan covering tax years 2015 through 2019. The Company has filed to renew all of the APAs which cover transactions with Japan for the years 2020 and forward. The execution of some or all of these APA renewals depends on many variables outside of the Company's control.

The Company’s United States federal income tax returns through 2014 have been audited. The IRS began its examination of the 2015 and 2016 tax years during the fourth quarter of 2018 and later added the 2017 tax year to this audit cycle during the first quarter of 2019. The IRS audit field work for the 2015-2017 tax years was substantially completed during the fourth quarter of 2020, except for transfer pricing and related matters.

During the second quarter of 2021, the Company received a Notice of Proposed Adjustment (“NOPA”) from the IRS for the 2015-2017 tax years relating to transfer pricing involving certain Surgical/TAVR intercompany royalty transactions between the Company's United States and Switzerland subsidiaries. During the third quarter of 2021, the Company completed its review of the NOPA and provided comments to the IRS and the IRS subsequently revised the NOPA. The revised NOPA proposes an increase to the Company's United States taxable income which could result in additional tax expense for this period of approximately $180 million and represents a significant change to previously agreed upon transfer pricing methodologies for these types of transactions.

The Company has formally disagreed with the NOPA and has submitted a formal protest on the matter to the IRS Independent Office of Appeals during the fourth quarter of 2021. The Company also has received the final Revenue Agent's Report for these tax years. The Company continues to evaluate all possible remedies available to it, which could take several years to resolve. No payment of any amount related to the NOPA is required to be made, if at all, until all applicable proceedings have been completed. The Company believes the amounts previously accrued related to this uncertain tax position are sufficient and, accordingly, has not accrued any additional amount based on the NOPA received.

Certain Surgical/TAVR intercompany royalty transactions covering tax years 2015 - 2021 that were not resolved under the APA program remain subject to IRS examination, and those transactions and related tax positions remain uncertain as of

17. INCOME TAXES (Continued)

December 31, 2021. The Company has considered this information, as well as information regarding the NOPA described above, in its evaluation of its uncertain tax positions. The impact of these unresolved transfer pricing matters, net of any correlative repatriation tax adjustment, may be significant to the Company's consolidated financial statements. Based on the information currently available and numerous possible outcomes, the Company cannot reasonably estimate what, if any, changes in its existing uncertain tax positions may occur in the next 12 months and, therefore, has continued to record the uncertain tax positions as a long-term liability.

18. LEGAL PROCEEDINGS

The Company is reviewing and investigating whether business activities in Japan and other markets violate certain provisions of the Foreign Corrupt Practices Act ("FCPA"). The Company has voluntarily notified the SEC and the United States Department of Justice that it has engaged outside counsel to conduct this review and investigation. Any determination that the Company's operations or activities are not in compliance with existing laws, including the FCPA, could result in the imposition of fines, penalties, and equitable remedies. The Company cannot currently predict the outcome of the review and investigation or the potential impact on its financial statements.

On September 28, 2021, Aortic Innovations LLC, a non-practicing entity, filed a lawsuit against Edwards Lifesciences Corporation and certain of its subsidiaries ("Edwards") in the United States District Court for the District of Delaware alleging that Edwards' *SAPIEN 3 Ultra* product infringes certain of its patents. The Company is unable to predict the ultimate outcome of this matter or estimate a range of possible exposure; therefore, no amounts have been accrued. The Company intends to vigorously defend itself in this litigation.

The Company is or may be a party to, or may otherwise be responsible for, pending or threatened lawsuits including those related to products and services currently or formerly manufactured or performed, as applicable, by the Company, workplace and employment matters, matters involving real estate, Company operations or health care regulations, or governmental investigations (the "Lawsuits"). The Lawsuits raise difficult and complex factual and legal issues and are subject to many uncertainties, including, but not limited to, the facts and circumstances of each particular case or claim, the jurisdiction in which each suit is brought, and differences in applicable law. Management does not believe that any loss relating to the Lawsuits would have a material adverse effect on the Company's overall financial condition, results of operations or cash flows. However, the resolution of one or more of the Lawsuits in any reporting period, could have a material adverse impact on the Company's financial results for that period. The Company is not able to estimate the amount or range of any loss for legal contingencies related to the Lawsuits for which there is no reserve or additional loss for matters already reserved.

The Company is subject to various environmental laws and regulations both within and outside of the United States. The Company's operations, like those of other medical device companies, involve the use of substances regulated under environmental laws, primarily in manufacturing and sterilization processes. While it is difficult to quantify the potential impact of continuing compliance with environmental protection laws, management believes that such compliance will not have a material impact on the Company's financial results. The Company's threshold of disclosing material environmental legal proceedings involving a governmental authority where potential monetary exposure is involved is $1 million.

19. SEGMENT INFORMATION

Edwards Lifesciences conducts operations worldwide and is managed in the following geographical regions: United States, Europe, Japan, and Rest of World. All regions sell products that are used to treat advanced cardiovascular disease.

The Company's geographic segments are reported based on the financial information provided to the Chief Operating Decision Maker (the Chief Executive Officer). The Company evaluates the performance of its geographic segments based on net sales and operating income. The accounting policies of the segments are the same as those described in Note 2. Segment net sales and segment operating income are based on internally derived standard foreign exchange rates, which may differ from year to year, and do not include inter-segment profits. Because of the interdependence of the reportable segments, the operating profit as presented may not be representative of the geographical distribution that would occur if the segments were not interdependent. Net sales by geographic area are based on the location of the customer. There were no customers that represented 10% or more of the Company's total net sales.

EDWARDS LIFESCIENCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. SEGMENT INFORMATION (Continued)

Certain items are maintained at the corporate level and are not allocated to the segments. The non-allocated items include net interest income, global marketing expenses, corporate research and development expenses, manufacturing variances, corporate headquarters costs, special gains and charges, stock-based compensation, foreign currency hedging activities, certain litigation costs, changes in the fair value of contingent consideration liabilities, and most of the Company's amortization expense. Although most of the Company's depreciation expense is included in segment operating income, due to the Company's methodology for cost build-up, it is impractical to determine the amount of depreciation expense included in each segment, and, therefore, a portion is maintained at the corporate level. The Company neither discretely allocates assets to its operating segments, nor evaluates the operating segments using discrete asset information.

The table below presents information about Edwards Lifesciences' reportable segments (in millions):

	Years Ended December 31,		
	2021	2020	2019
Segment Net Sales			
United States	$ 2,963.1	$ 2,516.8	$ 2,532.7
Europe	1,099.6	945.2	926.1
Japan	528.0	448.6	441.4
Rest of World	533.2	451.5	433.3
Total segment net sales	$ 5,123.9	$ 4,362.1	$ 4,333.5
Segment Operating Income			
United States	$ 2,051.0	$ 1,727.3	$ 1,742.3
Europe	569.1	479.3	472.0
Japan	348.0	286.4	272.3
Rest of World	185.2	150.1	127.9
Total segment operating income	$ 3,153.3	$ 2,643.1	$ 2,614.5

The table below presents reconciliations of segment net sales to consolidated net sales and segment operating income to consolidated pre-tax income (in millions):

	Years Ended December 31,		
	2021	2020	2019
Net Sales Reconciliation			
Segment net sales	$ 5,123.9	$ 4,362.1	$ 4,333.5
Foreign currency	108.6	24.2	14.5
Consolidated net sales	$ 5,232.5	$ 4,386.3	$ 4,348.0
Pre-tax Income Reconciliation			
Segment operating income	$ 3,153.3	$ 2,643.1	$ 2,614.5
Unallocated amounts:			
Corporate items	(1,613.8)	(1,358.0)	(1,439.7)
Special charges	—	—	(64.6)
Intellectual property litigation expenses, net	(20.6)	(405.4)	(33.4)
Change in fair value of contingent consideration liabilities, net	124.1	(13.6)	6.1
Foreign currency	47.3	31.5	63.9
Consolidated operating income	1,690.3	897.6	1,146.8
Non-operating income	11.7	19.1	19.7
Consolidated pre-tax income	$ 1,702.0	$ 916.7	$ 1,166.5

19. SEGMENT INFORMATION (Continued)

Enterprise-Wide Information
(in millions)

Enterprise-wide information is based on actual foreign exchange rates used in the Company's consolidated financial statements.

	As of or for the Years Ended December 31,		
	2021	**2020**	**2019**
Net Sales by Geographic Area			
United States	$ 2,963.1	$ 2,516.8	$ 2,532.7
Europe	1,190.3	973.6	941.2
Japan	528.9	460.1	444.7
Rest of World	550.2	435.8	429.4
	$ 5,232.5	$ 4,386.3	$ 4,348.0
Net Sales by Major Product Area			
Transcatheter Aortic Valve Replacement	$ 3,422.5	$ 2,857.3	$ 2,737.9
Transcatheter Mitral and Tricuspid Therapies	86.0	41.8	28.2
Surgical Structural Heart	889.1	761.8	841.7
Critical Care	834.9	725.4	740.2
	$ 5,232.5	$ 4,386.3	$ 4,348.0
Long-lived Tangible Assets by Geographic Area			
United States	$ 1,195.8	$ 1,084.3	$ 849.1
Europe	197.9	192.7	101.5
Japan	19.7	20.4	21.7
Rest of World	335.5	311.0	269.4
	$ 1,748.9	$ 1,608.4	$ 1,241.7

20. VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions	Balance at End of Period
			(in millions)		
Year ended December 31, 2021					
Allowance for doubtful accounts (a)	$ 16.4	$ 1.2	$ 0.6	$ (2.5)	$ 15.7
Tax valuation allowance (b)	71.6	12.4	—	(1.5)	82.5
Year ended December 31, 2020					
Allowance for doubtful accounts (a)	$ 14.7	$ 3.1	$ —	$ (1.4)	$ 16.4
Tax valuation allowance (b)	65.8	6.3	0.6	(1.1)	71.6
Year ended December 31, 2019					
Allowance for doubtful accounts (a)	$ 13.6	$ 4.7	$ 0.2	$ (3.8)	$ 14.7
Tax valuation allowance (b)	46.7	18.9	0.2	—	65.8

(a) The deductions related to allowances for doubtful accounts represent accounts receivable which are written off.

(b) The tax valuation allowances are provided for other-than-temporary impairments and unrealized losses related to certain investments that may not be recognized due to the uncertainty of the ready marketability of certain impaired investments, and net operating loss and credit carryforwards that may not be recognized due to insufficient taxable income.

21. SUBSEQUENT EVENT

In January 2022, the Company entered into an ASR agreement to repurchase $250.0 million of Edwards Lifesciences' common stock based on the volume-weighted average price ("VWAP") of Edwards Lifesciences' common stock during the term of the agreements, less a discount. Upon entering into the agreement, the Company received an initial delivery of approximately 1.9 million shares, representing approximately 80% of the shares to be repurchased. At the termination of the ASR, the Company may receive additional shares or may be required to pay additional cash or shares (at the Company's election). The final settlement is based on the VWAP over the term of the agreement, less a discount. The ASR agreement has a scheduled termination date of February 16, 2022.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. The Company's management, including the Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of the design and operation of 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 December 31, 2021.

Based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded as of December 31, 2021 that the Company's disclosure controls and procedures are designed at a reasonable assurance level and are effective in providing reasonable assurance that the information required to be disclosed by the Company in the reports it files or submits 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 such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting. The Company's management, including the Chief Executive Officer and Chief Financial Officer, 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 Exchange Act of 1934, as amended. Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2021. The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report on Form 10-K, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting. There have been no changes in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter of 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Information Regarding Foreign Jurisdictions That Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Certain information required by this Item will be set forth under the headings "Board of Directors Matters—Proposal 1 - Election of Directors—Board of Director Nominees," "Board of Directors Matters—Corporate Governance Policies and Practices," and "Executive Compensation and Other Information—Executive Officers" in the definitive proxy statement to be filed in connection with the Company's 2022 Annual Meeting of Stockholders (the "Proxy Statement") (which Proxy Statement will be filed with the SEC within 120 days of December 31, 2021). The information required by this Item to be contained in the Proxy Statement is incorporated herein by reference. The Company has adopted a code of ethics that applies to all directors and employees, including the Company's principal executive officer, principal financial officer, and principal accounting officer, or persons performing similar functions. The code of ethics (business practice standards) is posted on the Company's website, which is found at https://ir.edwards.com under "Governance & Sustainability—Corporate Responsibility & Sustainability—Corporate Responsibility—Global Integrity Program." To the extent required by applicable rules of the SEC and the New York Stock Exchange, the Company intends to disclose on its website any amendments to, or waivers from, any provision of its code of ethics that apply to the Company's directors and executive officers, including the principal executive officer, principal financial officer or controller or persons performing similar functions.

Item 11. Executive Compensation

The information contained under the heading "Executive Compensation and Other Information" in the Proxy Statement is incorporated herein by reference.

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

The information contained under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information contained under the heading "Other Matters and Business—Related Persons Transactions" and under the heading "Board of Directors Matters—Corporate Governance Policies and Practices—Director Independence" in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information contained under the headings "Audit Matters—Fees Paid to Principal Accountants" and "Audit Matters—Pre-Approval of Services" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

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

1. Consolidated Financial Statements. See "*Index to Consolidated Financial Statements*" in Part II, Item 8 herein.

2. Financial Statement Schedules. Other schedules are not applicable and have not been included herein.

3. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Edwards Lifesciences Corporation, dated May 16, 2013 (incorporated by reference to Exhibit 3.1 in Edwards Lifesciences' report on Form 8-K filed on May 17, 2013)
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Edwards Lifesciences Corporation, dated May 7, 2020 (incorporated by reference to Exhibit 3.1 in Edwards Lifesciences' report on Form 8-K filed on May 8, 2020)
3.3	Bylaws of Edwards Lifesciences Corporation, as amended and restated as of July 15, 2021 (incorporated by reference to Exhibit 3.1 in Edwards Lifesciences' report on Form 8-K filed on July 15, 2021)
4.1	Specimen form of certificate representing Edwards Lifesciences Corporation common stock (incorporated by reference to Exhibit 4.1 in Edwards Lifesciences' Registration Statement on Form 10 (File No. 001-15525) filed on March 15, 2000)
4.2	Description of Edwards Lifesciences Corporation's Capital Stock
4.3	Indenture, dated as of September 6, 2013, between Edwards Lifesciences Corporation and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.5 in Edwards Lifesciences' Registration Statement on Form S-3 (File No. 333-191022) filed on September 6, 2013) (the "Indenture")
4.4	Second Supplemental Indenture, dated as of June 15, 2018, to the Indenture (incorporated by reference to Exhibit 4.2 in Edwards Lifesciences' report on Form 8-K filed on June 15, 2018) ("Second Supplemental Indenture")
4.5	Form of Global Note for the 4.300% Senior Notes due 2028 (incorporated by reference to Exhibit A in the Second Supplemental Indenture filed as Exhibit 4.2 in Edwards Lifesciences' report on Form 8-K filed on June 15, 2018)
10.1	Five-Year Credit Agreement, dated as of April 30, 2018, among Edwards Lifesciences Corporation and certain of its subsidiaries, as Borrowers, the lenders signatory thereto, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Morgan Stanley MUFG Loan Partners, LLC, Deutsche Bank Securities Inc., HSBC Bank USA, National Association, and Wells Fargo Bank, National Association, as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 8-K filed on April 30, 2018)
#10.2	Settlement Agreement, dated May 19, 2014, between Edwards Lifesciences Corporation and Medtronic, Inc. (incorporated by reference to Exhibit 10.2 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended June 30, 2014)
*10.3	Edwards Lifesciences Corporation Form of Employment Agreement (incorporated by reference to Exhibit 10.8 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended March 31, 2003)
*10.4	Edwards Lifesciences Corporation Amended and Restated Employment Agreement for Michael A. Mussallem, dated March 30, 2009 (incorporated by reference to Exhibit 10.2 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended March 31, 2009)
*10.5	Edwards Lifesciences Corporation Amended and Restated Chief Executive Officer Change-in-Control Severance Agreement, dated October 9, 2012 (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended September 30, 2012)
*10.6	Edwards Lifesciences Corporation Form of Change-in-Control Severance Agreement (incorporated by reference to Exhibit 10.2 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended September 30, 2012)
*10.7	Description of Severance Benefits for Mr. Jean-Luc Lemercier (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended March 31, 2021)
*10.8	Edwards Lifesciences Corporation 2018 Edwards Incentive Plan (incorporated by reference to Exhibit 10.7 in Edwards Lifesciences' report on Form 10-K for the fiscal year ended December 31, 2018)
*10.9	Edwards Lifesciences Corporation Long-Term Stock Incentive Compensation Program, as amended and restated as of May 7, 2020 (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended June 30, 2020)
*10.10	Edwards Lifesciences Corporation Form of Participant Stock Option Statement and related Long-Term Stock Program Global Nonqualified Stock Option Award Agreement for awards granted prior to May 2015 (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended March 31, 2011)

Exhibit No.	Description
*10.11	Edwards Lifesciences Corporation Form of Long-Term Stock Incentive Compensation Program Global Nonqualified Stock Option Award Agreement for awards granted beginning May 2015
*10.12	Edwards Lifesciences Corporation Form of Long-Term Stock Incentive Compensation Program Global Restricted Stock Unit Award Agreement for awards granted beginning May 2015
*10.13	Edwards Lifesciences Corporation Form of Long-Term Stock Incentive Compensation Program Global Performance-Based Restricted Stock Unit Award Agreement for awards granted beginning May 2015
*10.14	Edwards Lifesciences Corporation Nonemployee Directors Stock Incentive Program, as amended and restated as of February 25, 2016 (incorporated by reference to Exhibit 10.1 in Edwards Lifesciences' report on Form 10-Q for the quarterly period ended March 31, 2016)
*10.15	Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program
*10.16	Edwards Lifesciences Corporation Form of Participant Stock Option Statement and related Nonemployee Directors Stock Incentive Program Nonqualified Stock Option Award Agreement
*10.17	Edwards Lifesciences Corporation Form of Nonemployee Directors Stock Incentive Program Restricted Stock Units Agreement
*10.18	Edwards Lifesciences Corporation Form of Nonemployee Directors Stock Incentive Program Restricted Stock Agreement
*10.19	Edwards Lifesciences Corporation Executive Deferred Compensation Plan, as amended and restated effective as of November 9, 2011 (incorporated by reference to Exhibit 10.7 in Edwards Lifesciences' report on Form 10-K for the fiscal year ended December 31, 2011)
*10.20	Edwards Lifesciences Corporation Officer Perquisite Program Guidelines, as of February 20, 2013 (incorporated by reference to Exhibit 10.25 in Edwards Lifesciences' report on Form 10-K for the fiscal year ended December 31, 2012)
*10.21	Edwards Lifesciences Corporation Form of Indemnification Agreement (incorporated by reference to Exhibit 10.20 in Edwards Lifesciences' report on Form 10-K for the fiscal year ended December 31, 2011)
21.1	Subsidiaries of Edwards Lifesciences Corporation
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
+32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
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 Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Pursuant to a request for confidential treatment, confidential portions of this exhibit have been redacted and have been filed separately with the Securities and Exchange Commission

* Represents management contract or compensatory plan

+ Furnished herewith

Item 16. Form 10-K Summary

None.

SIGNATURES

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

EDWARDS LIFESCIENCES CORPORATION

February 14, 2022 By: /s/ MICHAEL A. MUSSALLEM

Michael A. Mussallem
Chairman of the Board and
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 registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MICHAEL A. MUSSALLEM Michael A. Mussallem	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 14, 2022
/s/ SCOTT B. ULLEM Scott B. Ullem	Corporate Vice President, Chief Financial Officer (Principal Financial Officer)	February 14, 2022
/s/ ROBERT W.A. SELLERS Robert W.A. Sellers	Vice President, Corporate Controller (Principal Accounting Officer)	February 14, 2022
/s/ KIERAN T. GALLAHUE Kieran T. Gallahue	Director	February 14, 2022
/s/ LESLIE S. HEISZ Leslie S. Heisz	Director	February 14, 2022
/s/ PAUL A. LAVIOLETTE Paul A. LaViolette	Director	February 14, 2022
/s/ STEVEN R. LORANGER Steven R. Loranger	Director	February 14, 2022
/s/ MARTHA H. MARSH Martha H. Marsh	Director	February 14, 2022
/s/ RAMONA SEQUEIRA Ramona Sequeira	Director	February 14, 2022
/s/ NICHOLAS J. VALERIANI Nicholas J. Valeriani	Director	February 14, 2022

Exhibit 4.2

DESCRIPTION OF CAPITAL STOCK

References to "we," "us" and "our" refer to Edwards Lifesciences Corporation.

General

This section summarizes the rights of our capital stock, certain provisions of our amended and restated certificate of incorporation, as amended (our "certificate of incorporation"), and our bylaws, as amended and restated (our "bylaws"), and certain provisions of applicable law. The following description is only a summary and is qualified by reference to our certificate of incorporation and our bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission.

Authorized Capitalization

Our authorized capital stock consists of:

- 1,050,000,000 shares of common stock, with a par value of $1.00 per share; and
- 50,000,000 shares of preferred stock, with a par value of $0.01 per share, of which 3,500,000 shares have been designated as "Series A Junior Participating Preferred Stock."

As of December 31, 2021, 642 million shares of our common stock were issued and 624.1 million shares of our common stock were outstanding, and no shares of our preferred stock were issued and outstanding. As of December 31, 2021, we also had approximately 336 million shares of our common stock reserved to be issued upon exercise of outstanding stock options and restricted stock units granted to employees and directors.

Common Stock

The holders of our common stock are entitled to one vote for each share on all matters submitted to a vote of stockholders and do not have cumulative voting rights with respect to the election of directors. Holders of our common stock are entitled to receive ratably such dividends as may be declared from time to time by our board of directors out of legally available assets. In the event of our liquidation, dissolution or winding up, holders of common stock are entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any amounts due to any holders of preferred stock. Holders of our common stock have no preemptive or conversion rights. No redemption or sinking fund provisions apply to our common stock. The rights, preferences and privileges of holders of our common stock are subject to the rights of the holders of shares of any series of preferred stock which we may issue. All of our outstanding shares of common stock are fully paid and non-assessable.

Preferred Stock

Our board of directors has the authority, without stockholder approval, to issue up to 50,000,000 shares of our preferred stock in one or more series and to determine, with respect to any such series, the powers, preferences and rights of the shares of such series, and the qualifications, limitations and restrictions thereof, including, without limitation, voting rights, dividend rights, conversion rights, terms of redemption, liquidation preference, sinking fund terms and the number of shares constituting any series and the designation thereof.

Our board of directors can issue, without stockholder approval, preferred stock with voting and conversion rights that could adversely affect the voting power of the holders of common stock and reduce the likelihood that such holders will receive dividend payments or payments upon liquidation. Such issuance could have the effect of decreasing the market price of the common stock. The issuance of preferred stock or even the ability to issue preferred stock could also have the effect of delaying, deterring or preventing a change of control or other corporate action.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaw Provisions

Our certificate of incorporation and bylaws contain certain provisions that may make it more difficult to acquire control of us by means of a tender offer, open market purchase, proxy fight or otherwise. These provisions and certain provisions of Delaware law are expected to discourage coercive takeover practices and inadequate takeover bids.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. The

provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, could deprive stockholders of opportunities to realize takeover premiums for their shares.

Set forth below is a summary of the relevant provisions of our certificate of incorporation and bylaws and certain applicable sections of the General Corporation Law of the State of Delaware. For additional information we refer you to the provisions of our certificate of incorporation, our bylaws and those sections of the General Corporation Law of the State of Delaware.

Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware regulating corporate takeovers. In general, Section 203, subject to certain exceptions, prohibits a publicly-held Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that such person or entity became an interested stockholder, unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding specified shares; or
- at or subsequent to that date of the transaction that resulted in a person or entity becoming an interested stockholder, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 662⁄3% of the outstanding voting stock that is not owned by the interested stockholder.

The application of Section 203 may limit the ability of stockholders to approve a transaction that they may deem to be in their best interests. In addition, Section 203 makes it more difficult for an interested stockholder to effect various business combinations with a corporation for a three-year period, although the stockholders may, by adopting an amendment to our certificate of incorporation or bylaws, elect not to be governed by this section, effective 12 months after adoption.

In general, Section 203 defines "business combination" as:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 10% or more of the assets of the corporation to or with the interested stockholder;
- subject to certain exceptions, any transaction which results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an "interested stockholder" as any person that is:

- the owner of 15% or more of the outstanding voting stock of the corporation;
- an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant date; or
- an affiliate or associate of the above.

Our certificate of incorporation and bylaws do not exclude us from the restrictions imposed under Section 203. We anticipate that the provisions of Section 203 may encourage companies interested in acquiring us to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if a majority of the directors then in

office approve either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder.

Our Board of Directors

Our certificate of incorporation provides that the number of directors may be fixed from time to time by the board of directors, subject to the rights of holders of shares of any series of preferred stock to elect additional directors under specific circumstances. The size of our board of directors is currently fixed at eight directors. Each elected director holds office until his or her successor is duly elected and qualified, or until his or her earlier death, resignation, disqualification or removal.

Our certificate of incorporation and bylaws do not authorize cumulative voting with regard to the election of directors.

Board Vacancies

Our certificate of incorporation and bylaws provide that any vacancy in our board of directors may be filled only by a majority of the directors then in office, though less than a quorum, or by our sole remaining director. Each director so elected shall hold office until his or her successor is duly elected and qualified, or until his or her earlier death, resignation, disqualification or removal.

Advance Notice Requirements for Stockholder Proposals and Director Nominees

Our bylaws provide that stockholders seeking to make nominations of candidates for election as directors, or to bring other business before an annual or special meeting of the stockholders, must provide timely notice of their intent in writing. To be timely, a stockholder's notice must be delivered to and received at our principal executive offices not less than 90 days nor more than 120 days prior to the meeting. However, in the event that the date of the annual meeting is more than 25 days before or more than 25 days after the first anniversary date of the preceding year's annual meeting, or in the event of a special meeting of stockholders called for the purpose of electing directors, a stockholder's notice must be delivered to our principal executive offices not later than the close of business on the 10th day following the earlier of the date on which such notice of the date of the meeting was mailed or such public disclosure of the date of the meeting was made. Our bylaws also specify certain requirements as to the form and content of a stockholder's notice. These provisions may restrict the ability of our stockholders to bring business before our annual meeting of stockholders or to make nominations for directors at our annual meeting or any special meeting of stockholders.

Proxy Access

Our bylaws permit an eligible stockholder or group of stockholders to include up to a specified number of director nominees in our proxy materials for an annual meeting of stockholders. To qualify, the stockholders (or group of up to thirty stockholders) must have continuously owned for at least three years 3% or more of our outstanding shares of capital stock. The maximum number of stockholder nominees permitted under the proxy access provisions of our bylaws is generally the greater of (i) two or (ii) 20% of the total number of our directors in office as of the last day on which notice of a nomination may be delivered.

Notice of a nomination under our proxy access bylaw provisions must generally be submitted to our principal executive offices not less than 120 days nor more than 150 days prior to the first anniversary of the date that we first mailed our proxy statement to stockholders for the immediately preceding annual meeting of stockholders. The notice must contain certain information specified in our bylaws.

Blank Check Preferred Stock

Our certificate of incorporation provides that our board of directors can issue, without stockholder approval, up to 50,000,000 shares of our preferred stock in one or more series and to determine, with respect to any such series, the powers, preferences and rights of the shares of such series, and the qualifications, limitations and restrictions thereof, including, without limitation, voting rights, dividend rights, conversion rights, terms of redemption, liquidation preference, sinking fund terms and the number of shares constituting any series and the designation thereof.

Stockholder Action by Written Consent

Our certificate of incorporation provides that all actions requiring the vote or consent of stockholders must be taken at a regular or special meeting of stockholders and cannot be taken by written consent without a meeting.

Choice of Forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, (A) the Court of Chancery of the State of Delaware will be, to the fullest extent permitted by law, the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a claim of breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law; or any action asserting a claim against us that is governed by the internal affairs doctrine, and (B) the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Transfer Agent and Registrar

Computershare is the transfer agent and registrar for our common stock.

Listing

Our common stock is listed on the NYSE under the symbol “EW.”

Exhibit 10.11

Edwards Lifesciences Corporation
Long-Term Stock Incentive Compensation Program
Global Nonqualified Stock Option Award Agreement

THIS AGREEMENT, including any appendix for the Participant's country (the "Non-U.S. Countries Additional Terms Appendix"), the appendix containing additional defined terms (the "Additional Defined Terms Appendix" and, together with the Non-U.S. Countries Additional Terms Appendix, the "Appendices") and the Participant Stock Option Statement attached to the front of this agreement (the "Statement"), sets forth the terms and conditions of the nonqualified stock option (the "Option") granted by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named on the Statement, pursuant to the provisions of the Company's Long-Term Stock Incentive Compensation Program (the "Program"). This agreement, the Appendices and the Statement shall be considered one agreement and are referred to herein as the "Agreement."

The Program provides additional terms and conditions governing the Option and is incorporated herein by reference. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Grant of Stock Option. Effective as of the Date of Grant set forth on the Statement, the Company grants to the Participant an Option to purchase the number of Shares set forth on the Statement, at the stated Option Price set forth on the Statement, which is one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant, in the manner and subject to the terms and conditions of the Program and this Agreement.

The grant of this Option to the Participant shall not confer any right to such Participant (or any other Participant) to be granted any Option or other Awards in the future under the Program.

2. Exercise of Stock Option. Except as may otherwise be provided in Sections 3 and 4 below, the Participant may only exercise this Option according to the vesting schedule set forth on the Statement, provided the Participant continues to be employed by the Company or one of its Subsidiaries through the applicable vesting date. No exercise may occur subsequent to the close of business on (i) the Date of Expiration (as set forth on the Statement) or (ii) such earlier date of the expiration of the Option as set forth in Section 3.

The number of Shares for which this Option becomes vested and exercisable pursuant to this Section 2 shall be rounded down to the next whole number in the event that the use of the percentages set forth on the Statement results in the Option being exercisable with respect to a fractional Share. In addition, the Option may be exercised in whole or in part, but not for less than fifty (50) Shares at any one time, unless fewer than fifty (50) Shares then remain subject to the Option, and the Option is then being exercised as to all such remaining Shares.

3. Termination of Employment:

(a) *By Death or Disability*: All unvested Shares under this Option shall immediately vest and become exercisable as of the Participant's date of termination by death or Disability. Shares under this Option that vest and become exercisable in accordance with this Section 3(a) or that are already vested and exercisable as of the Participant's date of termination by reason of death or Disability, may be purchased only until the earlier of: (i) the Date of Expiration of this Option; or (ii) the first (1st) anniversary of the Participant's date of termination by reason of death or Disability.

(b) *By Retirement*: Subject to Section 4, all unvested Shares under this Option shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of employment by Retirement. All Shares under this Option that are vested as of the Participant's date of termination by Retirement may be purchased only until the earlier of: (i) the Date of Expiration of this Option; or (ii) the fifth (5th) anniversary of the Participant's date of Retirement.

(c) *For Cause*: If the Participant's employment is terminated for Cause (as defined in the Additional Defined Terms Appendix), all vested and unvested Shares under this Option shall terminate as of the Participant's date of termination of employment and shall be forfeited to the Company.

(d) *For Other Reasons*: Subject to Section 4, all unvested Shares under this Option shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of employment for any reason other than the reasons set forth in Section 3(a) above. Shares under this Option that are vested and exercisable as of the date of an employment termination for any reason other than those reasons set forth in Sections 3(a), 3(b) or 3(c) above may be purchased until the earlier of: (i) the Date of Expiration of this Option; or (ii) the ninetieth (90^{th}) day following the date of the Participant's employment termination.

(e) *Transfer* : For the purposes of this Agreement, a transfer of the Participant's employment between the Company and any Subsidiary (or between Subsidiaries) shall not be deemed a termination of employment. For purposes of this Agreement, if the Participant is employed by an entity that constitutes a Subsidiary and that entity ceases (as a result of a sale of equity interests in the entity, a spin-off, or otherwise) to constitute a Subsidiary, the Participant will be considered to have ceased to be employed by the Company or one of its Subsidiaries as of the date that such entity so ceases to constitute a Subsidiary unless either (x) the Participant is employed immediately after such transaction or event by the Company or another entity that continues to qualify as a Subsidiary or (y) the entity that is sold, spun-off or otherwise divested and ceases to constitute a Subsidiary (or a successor or a direct or indirect parent of such entity or such a successor) assumes the Option in connection with such transaction.

(f) *Death or Disability Following Termination of Employment.* If the Participant dies or incurs a Disability after termination of employment but before this Option otherwise expires in accordance with Sections 3(a), (b) or (d) above, then to the extent that this Option is still exercisable on the date of death or Disability, Shares may be purchased hereunder until the earlier of: (i) the first (1^{st}) anniversary of the Participant's date of death or Disability (or, if later, in the case of death or Disability following termination by reason of Retirement, the fifth (5^{th}) anniversary of such termination) or (ii) the Date of Expiration of this Option. Except in the case of death or Disability following termination by reason of Retirement, this Option shall not be exercisable for more Shares than it was immediately before the date of death or Disability.

4. Change in Control.

(a) *Possible Acceleration on Certain Terminations*: The following provisions of this Section 4(a) apply notwithstanding anything to the contrary in this Agreement or in the Program, but only to the event that Section 4(b) does not apply in the circumstances. In the event that, at any time during the Protected Period, the Participant ceases to be employed by the Company or one of its Subsidiaries and such termination is the result of a termination of employment either by the Company or such Subsidiary without Cause or by the Participant for Good Reason, this Option, to the extent then outstanding and unvested, shall immediately vest and become exercisable in full for the applicable timeframe set forth in Section 3; provided, however, that to the extent such a termination of the Participant's employment occurs prior to a Change in Control, this Option shall:

(i) remain outstanding and unvested for a period of six (6) months following such termination of employment (or, if less, until the Date of Expiration of this Option) and, should a Change in Control occur during such period of time, vest and become exercisable in full upon the Change in Control for the applicable timeframe specified in Section 3 above as if the date of the Change in Control was the date of the Participant's termination of employment; and

(ii) terminate and be forfeited at the end of such six-month period should no Change in Control occur during such period (or, if earlier, on the Date of Expiration of this Option).

(b) *Possible Acceleration on Certain Terminations - CIC Agreement*: In the event that the Participant ceases to be employed by the Company or one of its Subsidiaries and, at the time of such cessation of employment, the Participant is a party to a CIC Agreement, the extent (if any) to which this Option, to the extent then outstanding and unvested, would become vested in connection with such cessation of employment shall be determined in accordance with and subject to the terms and conditions of such CIC Agreement.

(c) *Possible Acceleration and Early Termination on Change in Control*: Article 13 of the Program provides, in general, that in connection with certain Change in Control events the Company may provide for either the assumption and continuation of the Option or for the termination of the Option. The Option remains subject to termination pursuant to Article 13 of the Program even if such termination occurs earlier than the Date of Expiration or any other termination date otherwise provided for in this Agreement. If the Option is to be terminated pursuant to Article 13 of the Program, however, the outstanding and otherwise unvested portion of the Option will vest to the extent provided by Article 13 of the Program.

(d) *Definitions*: For the purposes of this Agreement and notwithstanding anything to the contrary in the Program, the following definitions will apply:

(i) "CIC Agreement" means a Change in Control Severance Agreement (or any similar or successor written agreement) between the Participant and the Company that provides for the accelerated vesting (or all or a portion) of the equity awards granted by the Company to the Participant (to the extent then outstanding and otherwise unvested) in connection with certain terminations of the Participant's employment and which, by its terms, would apply to the Option (subject to any applicable release or other conditions on such accelerated vesting as set forth in such agreement).

(ii) The terms "Cause", "Change in Control", "Good Reason", and "Protected Period" have the respective meanings ascribed to such terms in the Additional Defined Terms Appendix.

5. Notice of Termination. Any termination of the Participant's employment by the Company for Cause or by the Participant for Good Reason shall be communicated by a written notice to the other party indicating the specific termination provision in this Agreement relied upon, and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated.

6. Restrictions on Transfer. This Option may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution applicable to the Participant. Further, this Option shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

7. Recapitalization. In the event of any change in corporate capitalization of the Company, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) of the Company, or any partial or complete liquidation of the Company, the number and class of Shares subject to this Option, as well as the Option Price, are subject to adjustment by the Committee pursuant to Section 5.4 of the Plan to prevent dilution or enlargement of rights.

8. Procedure for Exercise of Option. This Option may be exercised any time prior to its expiration or forfeiture in accordance with the exercise procedures established by the Committee. Payment of the Option Price may be made by any of the methods set forth in Section 6.6 of the Program, except that if the Participant resides outside the U.S., he or she may not pay the Option Price by tendering previously acquired Shares (by either actual delivery or attestation) having an aggregate Fair Market Value at the time of exercise equal to the total Option Price and may be subject to other restrictions set forth in the Non-U.S. Countries Additional Terms Appendix.

9. Responsibility for Taxes. Regardless of any action the Company or the Participant's employer (if different) (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Program that are legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and that such liability may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option or the underlying Share, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable, tax and/or social security contribution withholding event, the Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations with respect to Tax-Related Items by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation paid to him or her by the Company and/or the Employer; or (ii) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization) subject to any insider trading policies implemented by the Company and applicable to the Participant and to the insider trading rules set forth under Section 10(b) and Rule 10b-5 of the U.S. Securities Exchange Act of 1934; or (iii) withholding in Shares to be issued upon exercise of the Option. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Program. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or, if

not refunded, the Participant may seek a refund from the applicable tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the tax authorities, the Company or the Employer.

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

10. Beneficiary Designation. This Section 10 applies only if the Participant resides in the U.S. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when completed by the Participant in accordance with any instructions provided by the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

11. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company until the Option is exercised and the Participant has obtained an ownership interest in the Shares.

12. Continuation of Employment. This Agreement shall not confer upon the Participant any right to continuation of employment by the Employer, nor shall this Agreement interfere in any way with the Employer's right to terminate the Participant's employment at any time with or without cause.

13. Miscellaneous.

(a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to the exercise of this Option, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable U.S. federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any state or foreign securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

(b) The Board may terminate, suspend, amend, or modify the Program and the Committee may amend this Option at anytime; provided, however, that except for the Company's right to cash out this Option under certain circumstances pursuant to Section 6.10 of the Program, no such termination, amendment, suspension or modification of the Program or amendment of this Option may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

(c) The Participant agrees to take all steps necessary to comply with all applicable provisions of U.S. federal, state and foreign securities law in exercising his or her rights under this Agreement.

(d) This Agreement 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.

(e) All obligations of the Company under the Program and this Agreement, with respect to this Option, shall, to the extent legally permissible, 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.

14. Nature of Grant. In accepting the Option, the Participant acknowledges, understands and agrees that:

(a) the Program is established voluntarily by the Company and is discretionary in nature;

(b) the grant of the Option by the Company is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

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

(d) the Participant is voluntarily participating in the Program;

(e) the Option and any Shares acquired under the Program, and the income from and value of the same, are not part of normal or expected compensation or salary;

(f) unless otherwise agreed with the Company, the Option and any Shares acquired under the Program, and the income from and value of the same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or affiliate of the Company;

(g) the Option grant and the Participant's participation in the Program shall not be interpreted to form an employment contract or relationship with the Company or the Employer or any Subsidiary or affiliate of the Company;

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

(i) if the underlying Shares do not increase in value, the Option will have no value;

(j) for purposes of the Option, the Participant's employment or other service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), and unless otherwise provided in this Agreement or decided by the Committee, the Participant's right to vest in the Option under the Program, if any, will terminate effective as of such date and the Participant's right to exercise the Option after such date, if any, will be as set forth in Section 3 above and measured from such date, and such rights to vest in and exercise the Option will not be extended by any notice period (e.g., active employment would not include a period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); furthermore, the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Option (including whether the Participant may still be considered to be providing services while on a leave of absence);

(k) for Participants who reside outside the U.S., the following additional provisions shall apply:

(i) the Option and any Shares acquired under the Program, and the income from and value of the same, are not intended to replace any pension rights or compensation;

(ii) the Option and the Shares acquired under the Program, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer and are outside the scope of Participant's employment agreement, if any; such items shall not be included in or part of any calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Participant's employment or other service relationship by the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); and

(iv) neither the Company, the Employer or any Subsidiary or affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the Option or the subsequent sale of any Shares acquired upon exercise of the Option.

15. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Program, or his or her acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Program before taking any action related to the Program.

16. ***Data Privacy Notice and Consent****.* This Section 16 applies if the Participant resides outside the U.S.

(a) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number,

salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Program. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Company will transfer Data to Charles Schwab & Co., Inc. (including its affiliated companies) (collectively, "Charles Schwab"), which is assisting the Company with the implementation, administration and management of the Program. The Company may select different or additional service providers in the future and share Data with such other provider(s) serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with Charles Schwab, with such agreement being a condition to the ability to participate in the Program.

(c) International Data Transfers. The Company and Charles Schwab are based in the United States, which means that it will be necessary for Data to be transferred to, and processed in, the United States. If the Participant is outside the United States, the Participant should note that his or her country has enacted data privacy laws that are different from the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use Data only as long as is necessary to implement, administer and manage the Participant's participation in the Program, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. This may mean Data is retained until after the Participant's service relationship has terminated, plus any additional time periods necessary for compliance with law, exercise or defense of legal rights, archiving, back-up and deletion purposes.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Program is voluntary, and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Options or other Awards to the Participant or administer or maintain such Awards.

(f) Data Subject Rights. The Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) inquire whether and what kind of Data the Company holds about the Participant and how it is processed, and to request access or copies of Data the Company processes, (ii) request correction or supplementation of the Data about the Participant that is inaccurate, incomplete or out of date in light of the purposes underlying the processing, (iii) request deletion of Data no longer necessary for the purposes underlying the processing processed based on withdrawn consent, processed for legitimate interests that, in the context of the Participant's objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request restrictions on processing of Data, (v) request portability of Data that the Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Participant's employment and is carried out by automated means, (vi) object, in certain circumstances, to the processing of Data for legitimate interests, (vii) lodge complaints with competent authorities in the Participant's jurisdiction and/or (viii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, the Participant should contact his or her local human resources representative.

Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Employer, the Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Program in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Program if he or she fails to provide any such consent or agreement requested by the Company and/or the Employer.

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

18. Dispute Resolution. The Participant shall have the right and option to elect to have any good faith dispute or controversy arising under or in connection with this Agreement settled by litigation or arbitration. If arbitration is selected,

such proceeding shall be conducted by final and binding arbitration before a panel of three (3) arbitrators in accordance with the rules and under the administration of the American Arbitration Association.

19. Governing Law and Venue. To the extent not preempted by U.S. federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, U.S.A.

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Option, the Program or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Orange County, California or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

20. Language. The Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of this Agreement and any other documents related to the Program. If the Participant has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an online or electronic system established and maintained by the Company or a third party designated by the Company.

22. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and the Participant's country, the broker's country or the country in which the Shares are listed (if different), which may affect his or her ability to accept or otherwise acquire, sell, attempt to sell or otherwise dispose of, Shares or rights to Shares (*e.g.*, Options) under the Program or rights linked to the value of Shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions, including the United States and the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or otherwise causing them to buy or sell Company securities; "third parties" include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

23. Foreign Asset/Account, Exchange Control and Tax Reporting. The Participant acknowledges that, depending on his or her country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from his or her participation in the Program, in, to and/or from a brokerage/bank account or legal entity located outside the Participant's country. The Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Program to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal tax, legal and/or financial advisors on this matter.

24. Non-U.S. Countries Additional Terms Appendix. Notwithstanding any provisions in this Agreement, the Option shall be subject to any additional terms and conditions for the Participant's country set forth in the Non-U.S. Countries Additional Terms Appendix. Moreover, if the Participant relocates to one of the countries included in the Non-U.S. Countries Additional Terms Appendix, the additional terms and conditions for such country shall apply to the Participant, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate administration of the Program.

25. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Program, on the Option and on any Shares acquired under the Option, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Program, and to require the Participant to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

27. Benefit Limit. Notwithstanding anything else contained herein or in the Program to the contrary, in the event that any payments or benefits to which the Participant becomes entitled in accordance with the provisions of this Agreement (or any other agreement with the Company) would otherwise constitute a parachute payment under Code Section 280G(b)(2), then such payments and/or benefits will be subject to reduction to the extent necessary to assure that the Participant receives only the greater of (i) the amount of those payments which would not constitute such a parachute payment or (ii) the amount which yields the Participant the greatest after-tax amount of benefits after taking into account any excise tax imposed under Code Section 4999 on the payments and benefits provided the Participant under this Agreement (or on any other payments or benefits to which the Participant may become entitled in connection with any change in control or ownership of the Company or the subsequent termination of his or her employment with the Company).

Should a reduction in benefits be required to satisfy the benefit limit of this Section 27, then the portion of any parachute payment otherwise payable in cash to the Participant shall be reduced to the extent necessary to comply with such benefit limit. Should such benefit limit still be exceeded following such reduction, then the number of Shares which would otherwise vest on an accelerated basis under each of the Participant's Awards (based on the amount of the parachute payment attributable to each such Award under Code Section 280G) shall be reduced to the extent necessary to eliminate such excess, with such reduction to be made in the same chronological order in which those Awards were made.

In the event there is any disagreement between the Participant and the Company as to whether one or more payments or benefits to which the Participant becomes entitled constitute a parachute payment under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

(a) In the event the Treasury Regulations under Code Section 280G (or applicable judicial decisions) specifically address the status of any such payment or benefit or the method of valuation therefor, the characterization afforded to such payment or benefit by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

(b) In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any payment in dispute, the matter will be submitted for resolution to independent auditors selected and paid for by the Company. The resolution reached by the independent auditors will be final and controlling; provided, however, that if in the judgment of the independent auditors, the status of the payment in dispute can be resolved through the obtainment of a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted by the independent auditors, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the preparation and submission of the ruling request shall be paid by the Company.

(c) In the event Treasury Regulations (or applicable judicial decisions) do not address the appropriate valuation methodology for any payment in dispute, the present value thereof will, at the independent auditor's election, be determined through an independent third-party appraisal, and the expenses incurred in obtaining such appraisal shall be paid by the Company.

28. Compliance with Code Section 409A. This Section 28 applies only to the extent that the Participant is a U.S. taxpayer. It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Code Section 409A (including the Treasury regulations and other published guidance relating thereto) ("Code Section 409A") so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant. This Agreement may be amended at any time, without the consent of any party, to avoid the application of Code Section 409A, but the Company shall not be under any obligation to make any such amendment. Nothing in this Agreement shall provide a basis for any person to take action against the Company or any affiliate based on matters covered by Code Section 409A, including the tax treatment of any amount paid or Option granted under the Agreement, and neither the Company nor any of its Subsidiaries or affiliates shall under any circumstances have any liability to any Participant or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Code Section 409A.

* * * *

By the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant agrees that this Option is granted under and governed by the terms and conditions of the Program and this Agreement, including the Appendices and the Statement.

Further, by the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant declares, without limitation, his or her consent to the data processing operations described in this Agreement. The Participant understands and acknowledges that the Participant may withdraw consent at any time with future effect for any or no reason as described in Section 16(e) above

NON-U.S. COUNTRIES ADDITIONAL TERMS APPENDIX
EDWARDS LIFESCIENCES CORPORATION
GLOBAL NON-QUALIFIED STOCK OPTION AGREEMENT

Terms and Conditions

This Non-U.S. Countries Additional Terms Appendix includes additional terms and conditions that govern the Option granted to the Participant under the Program if the Participant resides in any of the non-U.S. countries listed below. Certain capitalized terms used but not defined in this Non-U.S. Countries Additional Terms Appendix have the meanings set forth in the Program and/or the Agreement.

Notifications

This Non-U.S. Countries Additional Terms Appendix also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Program. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2021. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Non-U.S. Countries Additional Terms Appendix as the only source of information relating to the consequences of his or her participation in the Program because the information may be out of date at the time that the Participant exercises the Option or sell Shares acquired under the Program.

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

Finally, the Participant understands that if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRALIA

Terms and Conditions

Tax Information. The Program and the Agreement is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in the Act).

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers of any amount (e.g., Option Price, proceeds from the sale of Shares). If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the Option, the Participant agrees to comply with applicable Brazilian laws and to report and pay any and all Tax-Related Items associated with the vesting of the Option, the exercise of the Option and the sale of Shares obtained pursuant to the Option.

Labor Law Acknowledgment. By accepting the Option, the Participant agrees that he or she is (i) making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.
Further, the Participant acknowledges and agrees that for all legal purposes, (i) any benefits provided to the Participant under the Plan are unrelated to his or her employment or service; (ii) the Plan is not part of the terms and conditions of the Participant's employment or service; and (iii) the income from the Participant's participation in the Plan, if any, is not part of his or her remuneration from employment or service.

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets and rights outside Brazil with an aggregate value of US$1,000,000 or more, then the Participant will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights. Assets and rights that must be reported include Shares acquired under the Program.

Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

Tax on Financial Transaction (IOF). Payments to foreign countries and repatriation of funds into Brazil (including proceeds from the sale of Shares or from cash dividends paid on such Shares) and the conversion of USD into BRL associated with such fund transfers may be subject to Tax on Financial Transactions. Brazilian residents must comply with any applicable Tax on Financial Transactions arising from participation in the Program. Brazilian residents should consult with their personal tax advisor for additional details.

CANADA

Terms and Conditions

Termination of Employment. This provision replaces Section 14(j) of the Agreement.

For purposes of the Option, the Participant's employment or other service relationship will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services, or the terms of the Participant's employment or service agreement, if any), as of the earliest of: (1) the date the Participant's employment or service relationship is terminated; (2) the date the Participant receives notice of termination of his or her employment or service relationship; and (3) the date the Participant is no longer actively providing services to the Company or the Employer, regardless of any notice period or period of pay in lieu of such notice required under applicable employment law (including, without limitation, statutory law, regulatory law and common law) in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any. Unless otherwise expressly provided in this Agreement or determined by the Company, the Participant's right to vest in the Option, if any, will terminate as of such date, and the period, if any, during which the Participant may exercise the Option after such termination will commence on such date. If notwithstanding the foregoing, applicable employment legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the Option, if any, will terminate effective as of the last date of the minimum statutory notice period, but the Participant will not earn or be entitled to any pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

Data Privacy. The following provision will apply if the Participant is a resident of Quebec and supplements Section 16 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives, including the broker(s) designated by the Company, to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Program. The Participant further authorizes the Company and any Subsidiary or affiliate and the Program administrator to disclose and discuss the Program with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file.

French Language Provision. The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention.

Notification

Securities Law Notice. The Participant is permitted to sell Shares acquired through the Program through the designated broker appointed under the Program, if any, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Company's Shares are currently listed on the New York Stock Exchange.

Foreign Asset and Account Reporting. Specified foreign property, including Shares acquired under the Program, must be reported on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds CAD 100,000 at any time during the year. Options also must be reported--generally at a nil cost--if the $100,000 cost threshold is exceeded because of other specified foreign property the Participant holds. The Form T1135 must be filed by April 30 of the following year. The Participant should consult with his or her personal tax advisor for further details regarding this requirement.

CHINA

Terms and Conditions

Exercise. The following supplements Section 8 of the Agreement:

Due to regulatory requirements in the People's Republic of China ("PRC"), the Participant will be required to exercise the Option using the cashless sell-all exercise method pursuant to which all Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of sale, less any broker's fees or commissions, will be remitted to the Participant in accordance with any applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from the exercise has been satisfied. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares pursuant to the cashless sell-all exercise method at any particular price. The Company reserves the right to provide additional methods of exercise depending on the development of local law.

Termination of Employment. The following supplements Section 3 of the Agreement:

Due to exchange control laws in the PRC, in no event can any exercise period following termination of employment exceed six months from the date of termination. Therefore, notwithstanding Sections 3(a), (b) and (f) of the Agreement, in the event of the Participant's termination of employment due to death or Disability, Retirement or if the Participant dies or incurs a Disability after termination of employment but before the Option expires in accordance with Section 3(a), (b) or (d), any Option that is vested under the terms of Section 3(a), (b) and (f) may be exercised to purchase Shares until the earlier of: (i) the Date of Expiration of the Option; or (ii) the six month anniversary of the Participant's date of termination by reason of death, Disability or Retirement or date of death or Disability following termination of employment.

Exchange Control Requirements. Due to exchange control laws in the PRC, if the Participant is a PRC national, he or she will be required to repatriate the proceeds from the cashless sell-all exercise to the PRC. The Participant understands and agrees that such cash proceeds may need to be repatriated to the PRC through a special exchange control account established by the Company, a Subsidiary, or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Shares may be transferred to such special account prior to being delivered to him or her. The cash proceeds may be paid in U.S. dollars or local currency at the Company's discretion. If the cash proceeds are paid in U.S. dollars, the Participant acknowledges that he or she will be required to set up a U.S. dollar bank account in China so that the cash proceeds may be delivered to this account. If the cash proceeds are converted to local currency, the Participant acknowledges that the Company is under no obligation to secure any currency conversion rate.

The Participant further understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to him or her. The Participant also understands and agrees that the Company is not responsible for any currency fluctuation that may occur between the date the Shares are sold and the date the cash proceeds are received by the Participant.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in the PRC.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require the Participant to fulfill certain notification duties in relation to the purchase of Shares and the opening and maintenance of a foreign account (e.g., the Participant may be required to report foreign direct investments, financial credits from abroad, investment in foreign securities and associated collections and payments). However, because exchange control regulations change frequently and without notice, the Participant should consult his or her personal legal advisor prior to the exercise of the Option and the sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with any applicable exchange control laws.

DOMINICAN REPUBLIC

There are no country-specific provisions.

FRANCE

Terms and Conditions

French-Qualified Option. This Option is intended to qualify for the favorable tax and social security regime in France under Section L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended. Certain events may affect the status of the Option as French-qualified, and the French-qualified Option may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the Option. If the Option no longer qualifies as French-qualified, the favorable tax and social security treatment will not apply, and the Participant will be required to pay his or her portion of social security contributions and income tax due with respect to the Option which will be withheld by the Company or the Employer by any of the means referred to in Section 13 of the Agreement.

Program and Sub-Plan Terms. The Option is subject to the terms and conditions of the Rules of the Edwards Lifesciences Corporation Long-Term Stock Incentive Compensation Program French Sub-plan (the "French Sub-Plan"). To the extent that any term is defined in both the Program and the French Sub-Plan, for purposes of this grant of a French-qualified Option, the definitions in the French Sub-Plan shall prevail.

Option Price. This provision replaces Section 1 of the Agreement with respect to how the Option Price is determined:

The Option Price shall be determined in the manner set forth in Section 4(b) of the Sub-Plan.

Expiration. Notwithstanding anything to the contrary in the Statement, no Option shall have a term in excess of nine years and six months measured from the Date of Grant.

Termination of Employment by Death. This provision replaces Section 3(a) of the Agreement with respect to termination of employment by death:

If the Participant's employment is terminated because of death, all unvested Shares under the Option shall immediately vest and become exercisable as of the Participant's date of termination by death. The vested Option will remain exercisable by the Participant's heirs for a period of six (6) months following the Participant's death. If the Participant's heirs do not exercise the Option within six (6) months of the Participant's death, the Option will be forfeited and the Participant's heirs will not be able to exercise the Option.

Changes in Capitalization. This provision supplements Section 7 in the Agreement:

Certain adjustments may disqualify the Option, in which case it may no longer benefit from favorable tax and social security treatment in France.

Language Consent. By accepting the Option, the Participant confirms having read and understood the Agreement and the Program, including all terms and conditions included therein, that were provided in the English language. The Participant accepts the terms of these documents accordingly.

En acceptant l'Option, vous confirmez avoir lu et compris ce Contrat et le Program, inclutant tous leur termes et conditions, qui lui ont été transmis en langue anglaise. Vous acceptez les dispositions de ces documents en connaissance de cause.

Notifications

Foreign Asset and Account Reporting. If the Participant holds cash or Shares outside of France, he or she must declare all foreign bank and brokerage accounts (including any accounts that were opened or closed during the tax year) on an annual basis on form No. 3916, together with their income tax return. Failure to complete this reporting triggers penalties for a French resident Participant.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant makes or receives a cross-border payment in excess of €12,500 (*e.g.*, payment of the Option Price and/or the repatriation of proceeds from the sale of Shares acquired under the Program), he or she must report the payment to the German Federal Bank electronically using the "General Statistics Reporting Portal" available via the Bank's website (www.bundesbank.de). If required, the report must be filed by the 5th day of the month following the month in which the payment occurred.

Foreign Account and Asset Reporting. If the Participant's acquisition of Shares under the Program leads to a so-called "qualified participation" at any point during the calendar year, the Participant will need to report the acquisition of Shares when the Participant files his or her tax return for the relevant year. A qualified participation occurs only if (i) the Participant owns 1% or more of the Company and the value of the Shares acquired exceeds €150,000 or (ii) the Shares held exceed 10% of the Company's total common stock. The Participant should consult with the Participant's personal tax advisor to ensure he or she complies with applicable reporting obligations.

INDIA

Terms and Conditions

Method of Exercise. The following provision supplements Section 8 of the Agreement:

The Participant will not be permitted to pay the Option Price through a cashless sell-to-cover method of exercise, whereby the Participant issues instructions to his or her broker to exercise the Option and to effect the immediate sale of the number of Shares necessary to cover the aggregate Option Price payable for the purchased Shares, plus applicable Tax-Related Items and brokerage fees, if any, and remit the remaining Shares to the Participant.

Depending on the development of local laws or the Participant's country of residence, the Company reserves the right to modify the methods of exercising the Option and, in its sole discretion, to permit cashless sell-to-cover exercise, or any other method of exercise and payment of Tax-Related Items permitted under the Program.

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Program to India within the required time period specified under applicable exchange control regulations in India. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Account and Asset Reporting. The Participant is required to declare any foreign bank accounts and assets (including Shares acquired under the Program) on his or her annual tax return. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable reporting obligations.

IRELAND

There are no country-specific provisions.

ISRAEL

Terms and Conditions

Securities Law Exemption. An exemption from the requirement to file a prospectus with respect to the Program has been granted to the Company by the Israeli Securities Authority under Section 15D of the Securities Law, 1968. Copies of the Program and Form S-8 registration statement for the Program filed with the United States Securities and Exchange Commission are available free of charge upon request at the Participant's local HR department.

The following provisions apply to Participants who are in Israel on the Date of Grant.

Trustee Arrangement. The Participant acknowledges and agrees that the Option is granted under the Israeli Subplan to the Program and shall be allocated under the provisions of the track referred to as the "Capital Gains Track" pursuant to Sections 102(b) and 102(b)(3) of the Israel Income Tax Ordinance [New Version], 1961 and shall be held by the trustee engaged by the Company (the "Trustee") for the 24 month period from the Date or Grant or such other period as required under Section 102 (the "Holding Period").

The Participant hereby declares that:

1. Participant understands the provisions of Section 102 and the applicable tax track of this grant of Options.

2. Subject to the provisions of Section 102, the Participant hereby confirms that the Participant shall not sell and/or transfer the Option, or any Shares or additional rights associated with the Option, before the end of the Holding Period. In the event that Participant elects to sell or release the Shares or additional rights, as the

case may be, prior to the expiration of the Holding Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Participant.

3. The Participant understands that this grant of the Option is conditioned upon the receipt of all required approvals from Israeli tax authorities.

4. The Participant agrees to be bound by the provisions of the trust agreement with the Trustee.

The Participant hereby confirms that he or she has: (i) read and understands this Agreement; (ii) received all the clarifications and explanations that he or she has requested; and (iii) had the opportunity to consult with his or her advisers before accepting this Agreement.

Written Acceptance. **IMPORTANT**: If the Participant has not already executed a Section 102 Capital Gains Track Grant Consent ("Consent") in connection with grants made under the Israeli Subplan to the Program, the Participant must print, sign and deliver the Consent within 45 days to Altshuler Shaham Investment House at the following address and the attention of: Olga Pitzik, Account Manager, Altshuler Shaham Investment House, 19A Habarzel St., Ramat Hachayal, Tel Aviv 6971026 or Adi Waisbard, Edwards Lifesciences (Israel) Ltd. If the signed Consent is not received at the above address within 45 days, the RSU shall not qualify for favorable tax treatment.

The following provision applies only to Participants who transfer into Israel after the Date of Grant.

Exercise. This provision supplements Section 8 of the Agreement.

To ensure proper withholding of Tax-Related Items, the Participant will be required to exercise the Option using the cashless sell-all exercise method pursuant to which all Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of sale, less Tax-Related Items and any broker's fees or commissions, will be remitted to the Participant. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares pursuant to the cashless sell-all exercise method at any particular price.

ITALY

Terms and Conditions

Exercise. The following supplements Section 8 of the Agreement:
Due to regulatory requirements Italy, the Participant will be required to exercise the Option using the cashless sell-all exercise method pursuant to which all Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of sale, less any broker's fees or commissions, will be remitted to the Participant, provided any liability for Tax-Related Items resulting from the exercise has been satisfied. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares pursuant to the cashless sell-all exercise method at any particular price. The Company reserves the right to provide additional methods of exercise depending on the development of local law.

Grant Terms Acknowledgment. By accepting the Option, the Participant acknowledges that the Participant has received a copy of the Program and the Agreement and has reviewed the Program and the Agreement, including the Appendices, in their entirety and fully understands and accepts all provisions of the Program and the Agreement, including the Appendices. The Participant further acknowledges having read and specifically approves the following sections of the Agreement: Section 9 (Responsibility for Taxes), Section 13 (Miscellaneous), Section 14 (Nature of Grant), Section 16 (Data Privacy Notice and Consent), Section 19 (Governing Law and Venue) and Section 25 (Imposition of Other Requirements).

Notifications

Foreign Asset and Account Reporting. To the extent the Participant holds investments abroad or foreign financial assets that may general taxable income in Italy (such as Shares acquired under the Program) during the calendar year, the Participant is required to report them on his or her annual tax return (UNICO Form, RW Schedule), or on a special form if no tax return is due and pay the foreign financial assets tax. The tax is assessed at the end of the calendar year or on the last day the shares are held (in such case, or when shares are acquired during the course of the year, the tax is levied in proportion to the number of days the shares are held over the calendar year). No tax payment duties arise if the amount of the foreign financial assets tax calculated on all financial assets held abroad does not exceed a certain threshold.

JAPAN

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets outside of Japan with a value exceeding ¥50,000,000 (as of December 31 each year), he or she is required to comply annual tax reporting obligations with respect to such assets. The Participant should consult with his or her personal tax advisor to ensure that he or she is properly complying with applicable reporting obligations.

KOREA

Notifications

Exchange Control Information. To remit funds out of Korea to exercise the Option by means of a cash exercise method, the Participant must obtain a confirmation of the remittance by a foreign exchange bank in Korea. This is an automatic procedure (*i.e.*, the bank does not need to approve the remittance and the process should not take more than a single day). The Participant likely will need to present to the bank processing the transaction supporting documentation evidencing the nature of the remittance.

Foreign Asset and Account Reporting. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) they hold in any foreign country that does not enter into an "inter-governmental agreement for automatic exchange of tax information" with Korea, to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. Korean residents should consult their personal tax advisor to determine their personal reporting obligations.

NETHERLANDS

There are no country-specific provisions.

PUERTO RICO

There are no country-specific provisions.

SINGAPORE

Notifications

Securities Law Notification. The Option was granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). Neither the Agreement nor the Program have been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that his or her Option is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale of the Shares in Singapore, or any offer of such subsequent sale of the Shares underlying the Option unless such sale or offer in Singapore is made (i) after six months from the Date of Grant, or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.), or pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Subsidiary or other related company in Singapore, then the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (*e.g.*, Options, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when he or she sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Program). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a director.

SPAIN

Terms and Conditions

Responsibility for Taxes. By accepting the Option, the Participant agrees that the amount of any payment on account payable by the Employer with respect to the exercise of the Option will be transferred to the Participant and withheld by the Company or the Employer.

Nature of Grant. The following provision supplements Section 14 of the Agreement:

In accepting the Option, the Participant consents to participate in the Program and acknowledges that the Participant has received a copy of the Program.

The Participant understands that the Company has unilaterally, gratuitously and discretionally decided to grant Options under the Program to individuals who may be employees of the Company or a Subsidiary throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Subsidiary. Consequently, the Participant understands that the Option is granted on the assumption and condition that the Option and any Shares acquired upon exercise of the Option are not part of any employment contract (either with the Company or any Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the Option would not be granted to him or her but for the assumptions and conditions referred to herein; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of this Option shall be null and void.

Further, this Option is a conditional right to Shares and can be forfeited in the case of, or affected by, the Participant's termination of employment. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates employment due to unilateral breach of contract of the Company or any of its Subsidiaries; or (5) the Participant's employment terminates for any other reason whatsoever, except for Cause. Consequently, upon termination of the Participant's employment for any of the reasons set forth above, the Participant may automatically lose any rights to the unvested Options granted to the Participant as of the date of his or her termination of employment, as described in the Program and the Agreement.

Notifications

Foreign Asset and Account Reporting. To the extent that Spanish residents hold assets (*e.g.*, Shares, cash, etc.) in a bank or brokerage account outside of Spain with a value in excess of €50,000 per type of asset as of December 31 each year, such residents are required to report information on such assets on their tax return for such year. Shares constitute securities for purposes of this requirement, but unvested rights (*e.g.*, Options) are not considered assets for purposes of this requirement.

If applicable, Spanish residents must report the assets on Form 720 by no later than March 31 following the end of the relevant year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000. Failure to comply with this reporting requirement may result in penalties.

Exchange Control Information. The Participant must declare the acquisition of Shares to the *Dirección General de Política Comercial e Inversiones* ("DGCI") of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be made by filing a D-6 form each January for Shares purchased or sold during (or owned by the Participant as of December 31) of the prior year; however, if the value of Shares purchased or sold exceeds €1,502,530, the declaration must also be filed within one month of the purchase or sale, as applicable.

Spanish residents are also required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made by the Company) if the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year exceed €1,000,000. Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

Securities Law Notification. The grant of Options and the Shares issued pursuant to the exercise of the Option are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the Option (1) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (2) may be publicly distributed nor otherwise made available in Switzerland to any person other than an employee of the Company, or (3) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss Regulatory Authority, including the Swiss Financial Market Supervisory Authority (FINMA).

Foreign Asset and Account Reporting. The Participant is required to declare all of his or her foreign bank and brokerage accounts in which the Participant holds cash or securities, including the accounts that were opened and/or closed during the tax

year, as well as any other assets, on an annual basis in his or her tax return. This includes the Option granted to you under the Plan which should not be subject to the net wealth tax, but must be reflected "pro memoria" in the statement on bank accounts and securities (*Wertschriftenverzeichnis*) that you are required to file with your tax return.

TAIWAN

Notifications

Securities Law Notification. The offer of participation in the Program is made only to employees of the Company and its Subsidiaries. The offer of participation in the Program is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Participant may remit foreign currency in relation to Shares into and out of Taiwan through an authorized foreign exchange bank in an amount of up to US$5,000,000 per year. If the transaction amount is TWD$500,000 or more in a single transaction, the Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank. The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. Participation in the Program is being offered only to eligible Employees and Contractors and is in the nature of providing equity incentives to Employees and Contractors in the United Arab Emirates. The Program and the Agreement are intended for distribution only to such persons must not be delivered to, or relied on by, any other person. Prospective acquirers of the securities offered should conduct their own due diligence on the securities. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Program. Neither the Ministry of Economy nor the Dubai Department of Economic Development: (i) have approved the Program or the Agreement; (ii) have taken steps to verify the information set out therein; and (iii) have any responsibility for such documents.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following supplements Section 9 of the Agreement:

Without limitation to Section 9 of the Agreement, the Participant agrees to be liable for any Tax-Related Items related to his or her participation in the Program and legally applicable to the Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (as within the meaning of Section 13(k) of the Exchange Act), the amount of any uncollected income tax not collected within ninety (90) days of the end of the U.K. tax year may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or Employer for the value of any NICs due on this additional benefit, which may be recovered from the Participant by the Company or the Employer by any of the means referred to in Section 9 of the Agreement.

ADDITIONAL DEFINED TERMS APPENDIX

When used in this Agreement, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

"Cause" shall mean the occurrence of any one or more of the following (provided that the determination of whether "Cause" exists at any time prior to the occurrence of a Change in Control shall be determined solely by the Company, in the exercise of the Company's good faith and reasonable judgment, and any such determination shall be final and binding upon the parties):

(a) A continuing material breach by the Participant of the duties and responsibilities of the Participant, which duties shall not differ in any material respect from the duties and responsibilities during the 90-day period immediately prior to a

Change in Control (other than as a result of incapacity due to a physical or mental condition or illness), which breach is demonstrably willful and deliberate on the Participant's part, is committed in bad faith and without a reasonable belief that such a breach is in the best interests of the Company; or

(b) The Participant has engaged in conduct that is willfully, demonstrably and materially injurious to the Company, monetarily or otherwise; or

(c) The Participant is convicted of, or pled guilty or *nolo contendere* to a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction) that adversely affects the reputation of the Participant or the Company;

provided, that no act or failure to act on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the action or omission was in the best interest of the Company.

"Change in Control" of the Company shall mean the first to occur of any one of the following events after the Date of Grant set forth on the Statement:

(a) Any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (as amended) (other than the Company, 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, and any trustee or other fiduciary holding securities under an employee benefit plan of the Company or such proportionately owned corporation), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(b) During any period of not more than twenty-four (24) months, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in (a), (c), or (d) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(c) The consummation of a merger or consolidation of the Company with any other entity, other than: (i) a merger or consolidation which would result in 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 sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires more than thirty percent (30%) of the combined voting power of the Company's then outstanding securities; or

(d) The Company's stockholders approve a plan of complete liquidation or dissolution of the Company, or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect).

"Good Reason" means, without the Participant's express written consent, the occurrence of any one or more of the following conditions during the Protected Period:

(a) The assignment of the Participant to duties materially inconsistent with the Participant's authorities, duties, responsibilities, and status (including offices, titles, and reporting requirements) as an employee, executive and/or officer of the Company, or a material reduction or alteration in the nature or status of the Participant's authorities, duties, or responsibilities, other than an insubstantial or inadvertent act that is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(b) The Company's requiring the Participant to be based at a location in excess of fifty (50) miles from the location of the Participant's principal job location or office immediately prior to such change, except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations;

(c) A reduction by the Company of the Participant's base salary or base rate of compensation, as applicable; or

(d) The failure of the Company to continue in effect any of the Company's short- and long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or other compensation arrangements in which the Participant participates, unless the Participant is permitted to participate in other plans that provide the Participant

with substantially comparable benefits; or the failure by the Company to continue the Participant's participation therein on substantially the same basis, both in terms of the amount of benefits provided and the level of the Participant's participation relative to other participants;

provided, however, that any such condition shall not constitute "Good Reason" unless the following requirements are satisfied: (x) the Participant provides the Company the written notice which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination by the Participation for Good Reason within sixty (60) days following the initial existence of the event giving rise to the condition claimed to constitute "Good Reason," (y) the Company fails to remedy such condition within thirty (30) days after receiving such notice (the "Cure Period"), and (z) the Participant resigns in writing from his or her employment, citing failure to remedy the condition giving rise to Good Reason, within thirty (30) days following the expiration of such thirty (30) day cure period.

The Participant's right to terminate employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason herein.

"Protected Period" means, with respect to a Change in Control, the period commencing the date that is six (6) months prior to the date of such Change in Control and ending on the date that is twenty four (24) months following such Change in Control.

Exhibit 10.12

Edwards Lifesciences Corporation
Long-Term Stock Incentive Compensation Program
Global Restricted Stock Unit Award Agreement

THIS AGREEMENT, including any appendix for the Participant's country (the "Non-U.S. Countries Additional Terms Appendix"), the appendix containing additional defined terms related to a change in control (the "Additional Defined Terms Appendix" and, together with the Non-U.S. Countries Additional Terms Appendix, the "Appendices") and the Participant Restricted Stock Unit Statement attached to the front of this agreement (the "Statement") sets forth the terms and conditions of the restricted stock unit (the "RSU") granted by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named on the Statement, pursuant to the provisions of the Company's Long-Term Stock Incentive Compensation Program (the "Program"). This agreement, the Appendices and the Statement shall be considered one agreement and are referred to herein as the "Agreement."

The Program provides additional terms and conditions governing the RSU and is incorporated herein by reference. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Grant of RSU. Effective as of the Date of Grant set forth in the Statement, the Company hereby grants to the Participant an RSU in the manner and subject to the terms and conditions of the Program and this Agreement.

The grant of this RSU to the Participant shall not confer any right to such Participant (or any other Participant) to be granted any RSU or other Awards in the future under the Program.

2. Vesting of RSU and Issuance of Shares. Except as may otherwise be provided in Sections 3, 4 and 6 below, the RSU will vest according to the vesting schedule set forth on the Statement ("Normal Vesting Schedule"), provided the Participant continues to be employed by the Company or one of its Subsidiaries through the applicable vesting date. Except as expressly provided herein, Shares shall be issued to the Participant as soon as practicable after (and in all events within 74 days after) the applicable vesting date, subject to satisfaction of all Tax-Related Items (as defined in Section 13 below) and to the provisions for U.S. taxpayers set forth in Sections 4 and 10 below.

3. Termination of Employment:

(a) *By Death or Disability*: All unvested Shares under this RSU shall immediately vest as of the Participant's date of termination by death or Disability.

(b) *By Retirement*: Regardless of the vesting schedule set forth in the Statement, in the event of the Participant's termination by Retirement after age fifty-five (55) and with at least ten (10) years of service with the Company or any Subsidiary, the Participant shall immediately vest in 25% of the RSU for each full year of employment with the Company or a Subsidiary measured from the Date of Grant. All remaining unvested Shares under this RSU shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of employment by Retirement. (For example, if the Participant retires after the first anniversary of the Date of Grant, the Participant will vest in 25% of the RSU with the remainder forfeited; if the Participant retires after the second anniversary of the Date of Grant, the Participant will vest in 50% of the RSU with the remainder forfeited; if the Participant retires after the third anniversary, the Participant will be entitled to an additional 25% vesting as he or she would have already vested in 50% with the remainder forfeited; and if the Participant retires after the fourth anniversary, the Participant shall not receive any additional vesting as he or she would have already vested in 100% of the RSU.)

(c) *For Other Reasons*: Subject to Section 6, all unvested Shares under this RSU shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of employment for any reason other than the reasons set forth in Sections 3(a) and (b).

(d) *Transfer*: For the purposes of this Agreement, a transfer of the Participant's employment between the Company and any Subsidiary (or between Subsidiaries) shall not be deemed a termination of employment. For purposes of this Agreement, if the Participant is employed by an entity that constitutes a Subsidiary and that entity ceases (as a result of a sale of equity interests in the entity, a spin-off, or otherwise) to constitute a Subsidiary, the Participant will be considered to have ceased to be employed by the Company or one of its Subsidiaries as of the date that such entity so ceases to constitute a Subsidiary unless either (x) the Participant is employed immediately after such transaction or event by the Company or another entity that continues to qualify as a Subsidiary or (y) the entity that is sold, spun-off

or otherwise divested and ceases to constitute a Subsidiary (or a successor or a direct or indirect parent of such entity or such a successor) assumes the RSU award in connection with such transaction.

4. Issuance of Shares for RSUs Subject to Code Section 409A. This Section 4 applies only to the extent that the Participant is a U.S. taxpayer and the RSUs are treated as deferred compensation under Code Section 409A (for instance, if the Participant becomes eligible for retirement vesting acceleration benefits under Section 3(b) hereof prior to the date the RSUs are scheduled to fully vest according to the Normal Vesting Schedule). Except as provided in this Section and Section 6(a), the Shares will be issued on the date they vest in accordance with the Normal Vesting Schedule, provided the Participant continues to be employed by the Company or one of its Subsidiaries through the applicable vesting date. If this Section 4 applies, the following rules set forth in Sections 4(a), (b) and (c) also apply notwithstanding any provision to the contrary in this Agreement.

(a) Separation from Service. Any Shares that vest prior to the date that they were otherwise scheduled to vest as set forth in the Normal Vesting Schedule by reason of the Participant's Separation from Service pursuant to Section 3(a), 3(b), 6(b), or 6(c) shall be issued or distributed to the Participant on or within thirty (30) days following the earlier of (i) the first day of the seventh (7th) month following the date of the Participant's Separation from Service or (ii) the date of the Participant's death. Upon the expiration of such period, all such Shares or other amounts shall be issued or distributed in a lump sum to the Participant. For purposes of this Agreement, "Separation from Service" means the Participant's separation from service as determined in accordance with Code Section 409A and the applicable standards of the Treasury Regulations issued thereunder.

(b) Change in Control. Any Shares that vest upon a termination of the RSU pursuant to Section 6(a) hereof in connection with a 409A Change in Control shall be issued or distributed in accordance with the plan-termination rules set forth in Treasury Regulation Section 1.409A-3(j)(4)(ix) or, in the event the Company is not able to make issuance or distribution in accordance with such regulation, shall be issued or distributed on or within thirty (30) days following the applicable date set forth in the Normal Vesting Schedule on which such Shares were otherwise scheduled to become vested or, if the Participant dies or has a Separation from Service before the applicable date set forth in the Normal Vesting Schedule, any remaining Shares subject to the RSU that have not previously been paid will be issued or distributed on or within thirty (30) days following the first to occur of (i) the first day of the seventh (7th) month following the date of the Participant's Separation from Service or (ii) the date of the Participant's death. In the event that any issuance of vested Shares is delayed until after a 409A Change in Control, instead of the issuance of Shares, such portion of the RSU shall be settled in cash in an amount equal to the Fair Market Value of such vested Shares, determined as of the date of the 409A Change in Control.

(c) Employment Taxes. In the event the employee portion of the U.S. federal, state and local employment taxes required to be withheld by the Company (the "Employment Taxes") becomes due in a calendar year that precedes the year in which the Shares are scheduled to be issued based on the Normal Vesting Schedule (such as in the case where the Participant becomes eligible for retirement vesting acceleration benefits under Section 3(b) hereof before the RSUs are scheduled to fully vest according to the Normal Vesting Schedule), the Participant shall, on or before the last business day of the calendar year in which the Employment Taxes become due, deliver to the Company a check payable to its order in the dollar amount equal to the Employment Taxes required to be withheld with respect to those Shares. Alternatively, the Company is vested with the authority, in its sole discretion, to collect the Employment Taxes from the Participant by any of the other methods authorized in Section 13 hereof.

5. No Fractional Shares. In no event shall any fractional Shares be issued. Accordingly, the total number of Shares to be issued at the time this RSU vests shall, to the extent necessary, be rounded down to the next whole Share in order to avoid the issuance of a fractional share.

6. Change in Control.

(a) *Possible Acceleration on 409A Change in Control*: Notwithstanding anything to the contrary in this Agreement or in the Program, if a 409A Change in Control occurs, the Board or the Committee may provide for either (i) the assumption, substitution or exchange of this RSU by the acquiring or successor entity (or a parent thereof) based upon, to the extent relevant under the circumstances, the distribution or consideration payable to holders of the Shares upon or in respect of such event, or (ii) the termination of this RSU upon such event; provided, however, that if this RSU will terminate upon such event as provided in clause (ii), this RSU, to the extent then outstanding and unvested, will fully vest upon (or, to the extent necessary to give effect to this acceleration, immediately prior to) such event.

(b) *Possible Acceleration on Certain Terminations*: The following provisions of this Section 6(b) apply notwithstanding anything to the contrary in this Agreement or in the Program, but only to the extent that Section 6(c) does not apply in the circumstances. In the event that, at any time during the Protected Period, the Participant ceases to be employed by the Company or one of its Subsidiaries and such termination is the result of a termination of employment either by the Company or such Subsidiary without Cause or by the Participant for Good Reason, this RSU, to the extent then

outstanding and unvested, shall immediately vest in full and be paid as provided in Section 2 or 4(a), as applicable; provided, however, that in the case of such a termination of the Participant's employment that occurs prior to a 409A Change in Control, this RSU shall:

(i) remain outstanding and unvested for a period of six (6) months following such termination of employment and, should a 409A Change in Control occur during such six-month period, shall vest in full upon the 409A Change in Control and shall be paid as provided in Section 2 or 4(a), as applicable; and

(ii) terminate and be forfeited at the end of such six-month period should no 409A Change in Control occur during such six-month period.

For purposes of clarity, the accelerated vesting and any alternative timing of payment provisions provided in Article 13 of the Program shall not apply to this RSU.

(c) *Possible Acceleration on Certain Terminations - CIC Agreement*: In the event that the Participant ceases to be employed by the Company or one of its Subsidiaries and, at the time of such cessation of employment, the Participant is a party to a CIC Agreement, the extent (if any) to which this RSU, to the extent then outstanding and unvested, would become vested in connection with such cessation of employment shall be determined in accordance with and subject to the terms and conditions of such CIC Agreement.

(d) *Definitions*: For the purposes of this Agreement and notwithstanding any to the contrary in the Program, the following definitions will apply:

(i) "409A Change in Control" means a Change in Control; provided, however, that a transaction shall not constitute a 409A Change in Control unless it is a "change in the ownership or effective control" of the Company, or a change "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(ii) "CIC Agreement" means a Change in Control Severance Agreement (or any similar or successor written agreement) between the Participant and the Company that provides for the accelerated vesting (or all or a portion) of the equity awards granted by the Company to the Participant (to the extent then outstanding and otherwise unvested) in connection with certain terminations of the Participant's employment and which, by its terms, would apply to the RSU (subject to any applicable release or other conditions on such accelerated vesting as set forth in such agreement).

(iii) The terms "Cause", "Change in Control", "Good Reason", "Protected Period", and "Separation Benefits" have the respective meanings ascribed to such terms in the Additional Defined Terms Appendix.

7. Notice of Termination. Any termination of the Participant's employment by the Company for Cause or by the Participant for Good Reason shall be communicated by a written notice to the other party indicating the specific termination provision in this Agreement relied upon, and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated.

8. Restrictions on Transfer. This RSU may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution applicable to the Participant.

9. Recapitalization. In the event of any change in corporate capitalization of the Company, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) of the Company, or any partial or complete liquidation of the Company, the number and class of Shares subject to this RSU are subject to adjustment by the Committee pursuant to Section 5.4 of the Plan to prevent dilution or enlargement of rights.

10. Section 409A. This Section 10 applies only to the extent that the Participant is a U.S. taxpayer. This Agreement is intended to either be exempt from or comply with the requirements of Section 409A of the Code so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant. This Agreement may be amended at any time, without the consent of any party, to avoid the application of Code Section 409A in a particular circumstance or that is necessary or desirable to satisfy any of the requirements under Code Section 409A, but the Company shall not be under any obligation to make any such amendment. Nothing in the Agreement shall provide a basis for any person to take action against the Company or any affiliate based on matters covered by Code Section 409A, including the tax treatment of any amount paid or RSU granted under the Agreement, and neither the Company nor any of its Subsidiaries or affiliates shall under any circumstances have any liability to any Participant or his estate or any other party for any taxes,

penalties or interest due on amounts paid or payable under the this Agreement, including taxes, penalties or interest imposed under Code Section 409A.

11. Beneficiary Designation. This Section 11 applies only if the Participant resides in the U.S. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

12. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company until the Participant has obtained an ownership interest in the Shares.

13. Responsibility for Taxes.

(a) Regardless of any action the Company or the Participant's employer (if different) (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Program that are legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and that such liability may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this RSU or the underlying Shares, including the grant or vesting of this RSU, the issuance of Shares on the applicable vesting date, the subsequent sale of any Shares acquired at vesting of the RSU and the receipt of any dividends; and (2) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSU to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable, tax and/or social security contribution withholding event, the Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations with respect to Tax-Related Items by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation paid to him or her by the Company and/or the Employer or from any equivalent cash payment received upon vesting of the RSU; or (ii) withholding from the proceeds of the sale of Shares acquired at vesting of the RSU, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or (iii) withholding in Shares to be issued upon vesting of the RSU. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the vested RSU, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Program. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or, if not refunded, the Participant may seek a refund from the applicable tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the tax authorities, the Company or the Employer.

(c) Finally, the Participant shall pay to the Company or the Employer any amount of Tax-Related Items and/or Employment Taxes that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Program that cannot be satisfied by the means described in this Section 13 or in Section 4(c). The Company may refuse to issue or deliver Shares or the proceeds of the sale of Shares to the Participant if the Participant fails to comply with Participant's obligation in connection with the Tax-Related Items and/or Employment Taxes.

14. Continuation of Employment. This Agreement shall not confer upon the Participant any right to continuation of employment with the Employer, nor shall this Agreement interfere in any way with the Employer's right to terminate the Participant's employment at any time with or without cause.

15. Miscellaneous.

(a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to this Award, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable U.S. federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any state or foreign securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

(b) The Board may terminate, amend, suspend or modify the Program and the Committee may amend this RSU at anytime; provided, however, that no such termination, amendment, suspension or modification of the Program or amendment of this Award may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

(c) The Participant agrees to take all steps necessary to comply with all applicable provisions of U.S. federal, state and foreign securities law in exercising his or her rights under this Agreement.

(d) This Agreement 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.

(e) All obligations of the Company under the Program and this Agreement, with respect to this Award, shall, to the extent legally permissible, 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.

16. Nature of Grant. In accepting the RSU, the Participant acknowledges, understands and agrees that:

(a) the Program is established voluntarily by the Company and is discretionary in nature;

(b) the grant of the RSU by the Company is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

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

(d) the Participant is voluntarily participating in the Program;

(e) the RSU and any Shares, and the income from and value of the same, acquired under the Program are not part of normal or expected compensation or salary;

(f) unless otherwise agreed with the Company, the RSU and any Shares acquired under the Program, and the income from and value of the same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or affiliate of the Company;

(g) the RSU grant and the Participant's participation in the Program shall not be interpreted to form an employment contract or relationship with the Company or the Employer or any Subsidiary or affiliate of the Company;

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

(i) for purposes of the RSU, the Participant's employment or other service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), and unless otherwise provided in this Agreement or decided by the Committee, the Participant's right to vest in the RSU under the Program, if any, will terminate effective as of such date and will not be extended by any notice period (e.g., active employment or service would not include a period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); furthermore, the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the RSU (including whether the Participant may still be considered to be providing services while on a leave of absence);

(j) for Participants who reside outside the U.S., the following additional provisions shall apply:

(i) the RSU and any Shares, and the income from and value of the same, acquired under the Program are not intended to replace any pension rights or compensation;

(ii) the RSU and the underlying Shares, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer and are outside the scope of Participant's employment agreement, if any; such items shall not be included in or part of any for any calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU resulting from termination of the Participant's employment or other service relationship by the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); and

(iv) neither the Company, the Employer or any Subsidiary or affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSU or of any amounts due to the Participant pursuant to the vesting of the RSU or the subsequent sale of any Shares acquired upon settlement.

17. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Program, or his or her acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Program before taking any action related to the Program.

18. ***Data Privacy Notice and Consent.*** This Section 18 applies if the Participant resides outside the U.S.

(a) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Program. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Company will transfer Data to Charles Schwab & Co., Inc. (including its affiliated companies) (collectively, "Charles Schwab"), which is assisting the Company with the implementation, administration and management of the Program. The Company may select different or additional service providers in the future and share Data with such other provider(s) serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with Charles Schwab, with such agreement being a condition to the ability to participate in the Program.

(c) International Data Transfers. The Company and Charles Schwab are based in the United States, which means that it will be necessary for Data to be transferred to, and processed in, the United States. If the Participant is outside the United States, the Participant should note that his or her country has enacted data privacy laws that are different from the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use Data only as long as is necessary to implement, administer and manage the Participant's participation in the Program, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. This may mean Data is retained until after the Participant's service relationship has terminated, plus any additional time periods necessary for compliance with law, exercise or defense of legal rights, archiving, back-up and deletion purposes.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Program is voluntary, and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant RSUs or other Awards to the Participant or administer or maintain such Awards.

(f) Data Subject Rights. The Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) inquire whether and what kind of Data the Company holds about the Participant and how it is processed, and to request access or copies of Data the Company processes, (ii) request correction or supplementation of the Data about the Participant that is inaccurate, incomplete or out of date in light of the purposes underlying the processing, (iii) request deletion of Data no longer necessary for the purposes underlying the processing processed based on withdrawn consent, processed for legitimate interests that, in the context of the Participant's objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request restrictions on processing of Data, (v) request portability of Data that the Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Participant's employment and is carried out by automated means, (vi) object, in certain circumstances, to the processing of Data for legitimate interests, (vii) lodge complaints with competent authorities in the Participant's jurisdiction and/or (viii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, the Participant should contact his or her local human resources representative.

Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Employer, the Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Program in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Program if he or she fails to provide any such consent or agreement requested by the Company and/or the Employer.

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

20. Dispute Resolution. The Participant shall have the right and option to elect to have any good faith dispute or controversy arising under or in connection with this Agreement settled by litigation or arbitration. If arbitration is selected, such proceeding shall be conducted by final and binding arbitration before a panel of three (3) arbitrators in accordance with the rules and under the administration of the American Arbitration Association.

21. Governing Law and Venue. To the extent not preempted by U.S. federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, U.S.A.

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the Program or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Orange County, California, or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

22. Language. The Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of this Agreement and any other documents related to the Program. If the Participant has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

23. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an online or electronic system established and maintained by the Company or a third party designated by the Company.

24. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and the Participant's country, the broker's country or the country in which the Shares are listed (if different), which may affect his or her ability to accept or otherwise acquire, sell, attempt to sell or otherwise dispose of, Shares or rights to Shares (*e.g.*, RSUs) under the Program or rights linked to the value of Shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions, including the United States and the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or otherwise causing them to buy or sell Company securities; "third parties" include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is

responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

25. Foreign Asset/Account, Exchange Control and Tax Reporting. The Participant acknowledges that, depending on his or her country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from his or her participation in the Program, in, to and/or from a brokerage/bank account or legal entity located outside the Participant's country. The Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in the Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Program to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal tax, legal and/or financial advisors on this matter.

26. Non-U.S. Countries Additional Terms Appendix. Notwithstanding any provisions in this Agreement, the RSU shall be subject to any additional terms and conditions for the Participant's country set forth in the Non-U.S. Countries Additional Terms Appendix. Moreover, if the Participant relocates to one of the countries included in the Non-U.S. Countries Additional Terms Appendix, the additional terms and conditions for such country shall apply to the Participant, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate administration of the Program.

27. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Program, on the RSU and on any Shares acquired at vesting of the RSU, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Program, and to require the Participant to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

29. Benefit Limit. Notwithstanding anything else contained herein or in the Program to the contrary, in the event that any payments or benefits to which the Participant becomes entitled in accordance with the provisions of this Agreement (or any other agreement with the Company) would otherwise constitute a parachute payment under Code Section 280G(b)(2), then such payments and/or benefits will be subject to reduction to the extent necessary to assure that the Participant receives only the greater of (i) the amount of those payments which would not constitute such a parachute payment or (ii) the amount which yields the Participant the greatest after-tax amount of benefits after taking into account any excise tax imposed under Code Section 4999 on the payments and benefits provided the Participant under this Agreement (or on any other payments or benefits to which the Participant may become entitled in connection with any change in control or ownership of the Company or the subsequent termination of his or her employment with the Company).

Should a reduction in benefits be required to satisfy the benefit limit of this Section 29, then the portion of any parachute payment otherwise payable in cash to the Participant shall be reduced to the extent necessary to comply with such benefit limit. Should such benefit limit still be exceeded following such reduction, then the number of Shares which would otherwise vest on an accelerated basis under each of the Participant's Awards (based on the amount of the parachute payment attributable to each such Award under Code Section 280G) shall be reduced to the extent necessary to eliminate such excess, with such reduction to be made in the same chronological order in which those Awards were made.

In the event there is any disagreement between the Participant and the Company as to whether one or more payments or benefits to which the Participant becomes entitled constitute a parachute payment under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

(a) In the event the Treasury Regulations under Code Section 280G (or applicable judicial decisions) specifically address the status of any such payment or benefit or the method of valuation therefor, the characterization afforded to such payment or benefit by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

(b) In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any payment in dispute, the matter will be submitted for resolution to independent auditors selected and paid for by the Company. The resolution reached by the independent auditors will be final and controlling; provided, however, that if in the judgment of the independent auditors, the status of the payment in dispute can be resolved through the obtainment of a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted by the independent auditors, and the determination made by the Internal Revenue Service in the issued

ruling will be controlling. All expenses incurred in connection with the preparation and submission of the ruling request shall be paid by the Company.

(c) In the event Treasury Regulations (or applicable judicial decisions) do not address the appropriate valuation methodology for any payment in dispute, the present value thereof will, at the independent auditor's election, be determined through an independent third-party appraisal, and the expenses incurred in obtaining such appraisal shall be paid by the Company.

* * * *

By the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant agrees that this RSU is granted under and governed by the terms and conditions of the Program and this Agreement, including the Appendices and the Statement.

Further, by the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant declares, without limitation, his or her consent to the data processing operations described in this Agreement. The Participant understands and acknowledges that the Participant may withdraw consent at any time with future effect for any or no reason as described in Section 18(e) above

NON-U.S. COUNTRIES ADDITIONAL TERMS APPENDIX
EDWARDS LIFESCIENCES CORPORATION
GLOBAL RESTRICTED STOCK UNIT AGREEMENT

Terms and Conditions

This Non-U.S. Countries Additional Terms Appendix includes additional terms and conditions that govern the RSU granted to the Participant under the Program if the Participant resides in any of the non-U.S. countries listed below. Certain capitalized terms used but not defined in this Non-U.S. Countries Additional Terms Appendix have the meanings set forth in the Program and/or the Agreement.

Notifications

This Non-U.S. Countries Additional Terms Appendix also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Program. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2021. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Non-U.S. Countries Additional Terms Appendix as the only source of information relating to the consequences of his or her participation in the Program because the information may be out of date at the time that the RSU vests or the Participant sells Shares acquired under the Program.

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

Finally, the Participant understands that if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRALIA

Terms and Conditions

Australian Addendum. The grant of this RSU is intended to comply with the provisions of the Australian Corporations Act 2001 (Cth), Australian Securities and Investments Commission ("ASIC") Regulatory Guide 49 and ASIC Class Order 14/1000. As a condition of ASIC Class Order 14/1000, the Participant will receive an Offer Document which sets forth certain key terms of the RSU, as well as the risks inherent in investment in Shares and a summary of the Australian tax consequences of the RSU.

Tax Information. The Program and the Agreement is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in the Act).

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers of any amount (e.g., proceeds from the sale of Shares). If an Australian bank is assisting with the transaction, the bank will file the report on the Participant's behalf.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares acquired under the Program outside of Austria (*e.g.*, in a U.S. brokerage account), a reporting obligation to the Austrian National Bank will apply. An exemption applies if the value of the securities held outside Austria as of December 31 does not exceed €5,000,000 or the value of the securities as of any quarter does not exceed €30,000,000. If the former threshold is exceeded, the annual reporting obligations are imposed, whereas if the latter threshold is exceeded, then quarterly reports must be submitted. The annual reporting date is December 31; the deadline for filing the annual report is January 31 of the following year. If the quarterly reporting is required, the reports must be filed on or before the 15th day of the month following the last day of the quarter.

If the Participant holds cash (*e.g.*, dividends or proceeds from the sale of Shares) outside of Austria (*e.g.*, in a U.S. brokerage or bank account), he or she will be subject to monthly reporting if the transaction volume of all cash accounts abroad is €10,000,000 or greater. In this case, transfers of cash into or out of the cash accounts and the balances of such accounts must be

reported monthly, as of the last day of the month, on or before the 15th day of the following month, using the form "*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*."

BELGIUM

Notifications

Foreign Asset and Account Reporting. The Participant is required to report any security or bank account (including brokerage accounts) that the Participant maintains outside Belgium on his or her annual tax return. The first time the Participant reports the foreign security and/or bank account on his or her annual income tax return, the Participant will have to provide the National Bank of Belgium with the account number, the name of the bank and the country in which the account was opened in a separate form. The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption *Kredietcentrales / Centrales des crédits*. The Participant should consult with his or her personal tax advisor regarding the specific requirements applicable to the Participant.

Annual Securities Accounts Tax. If the value of securities held in a Belgian or foreign securities account exceeds €1 million, a new "annual securities account tax" applies. Belgian residents should consult with their personal tax advisor regarding the new tax.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the RSU, the Participant agrees to comply with applicable Brazilian laws and to report and pay any and all Tax-Related Items associated with the vesting of the RSU and the sale of Shares obtained pursuant to the RSU.

Labor Law Acknowledgment. By accepting the RSU, the Participant agrees that he or she is (i) making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Further, the Participant acknowledges and agrees that for all legal purposes, (i) any benefits provided to the Participant under the Plan are unrelated to his or her employment or service; (ii) the Plan is not part of the terms and conditions of the Participant's employment or service; and (iii) the income from the Participant's participation in the Plan, if any, is not part of his or her remuneration from employment or service.

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets and rights outside Brazil with an aggregate value of US$1,000,000 or more, then the Participant will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights. Assets and rights that must be reported include Shares acquired under the Program. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

If the value of the Shares the Participant receives under the Plan exceeds BRL 5,000, the Participant must report the Shares acquired in the assets and rights section of the annual Natural Person Income Tax Return typically due by the last business day of April.

Tax on Financial Transaction (IOF). Payments to foreign countries and repatriation of funds into Brazil (including proceeds from the sale of Shares or from cash dividends paid on such Shares) and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. Brazilian residents must comply with any applicable Tax on Financial Transactions arising from participation in the Program. Brazilian residents should consult with their personal tax advisor for additional details.

CANADA

Terms and Conditions

Award Payable Only in Shares. The grant of the RSU does not provide the Participant with a right to receive a cash payment; the RSU is payable only in Shares.

Termination of Employment. This provision replaces Section 16(i) of the Agreement.

For purposes of the RSU, the Participant's employment or other service relationship will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid, unlawful or in breach of employment laws in the jurisdiction where the Participant is employed or providing services, or the terms of the Participant's employment or service agreement, if any), as of the earliest of: (1) the date the Participant's employment or service relationship is terminated; (2) the date the Participant receives notice of termination of his or her employment or service relationship; and (3) the date that the Participant is no longer actively providing services to the Company or the Employer, regardless of any notice period or period of pay in lieu of such notice required under applicable employment law (including, without limitation, statutory law, regulatory law and common law) in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any. If, notwithstanding the foregoing, applicable employment legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSU, if any, will terminate effective as of the last date of the minimum statutory notice period, but the Participant will not earn or be entitled to any pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

Data Privacy. The following provision will apply if the Participant is a resident of Quebec and supplements Section 18 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives, including the broker(s) designated by the Company, to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Program. The Participant further authorizes the Company and any Subsidiary or affiliate and the Program administrator to disclose and discuss the Program with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file.

French Language Provision. The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention.

Notification

Securities Law Notice. The Participant is permitted to sell Shares acquired through the Program through the designated broker appointed under the Program, if any, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Company's Shares are currently listed on the New York Stock Exchange.

Foreign Asset and Account Reporting. Specified foreign property, including Shares acquired under the Program, must be reported on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds CAD 100,000 at any time during the year. RSUs also must be reported--generally at a nil cost--if the $100,000 cost threshold is exceeded because of other specified foreign property the Participant holds. The Form T1135 must be filed by April 30 of the following year. The Participant should consult with his or her personal tax advisor for further details regarding this requirement.

CHINA

Terms and Conditions

Immediate Sale of Shares. This provision supplements Section 2 of the Agreement:

Due to regulatory requirements in the People's Republic of China ("PRC"), upon the vesting and settlement of the RSU, the Participant agrees to the immediate sale of any Shares to be issued. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with any applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from the vesting of the RSU has been satisfied.

Exchange Control Requirements. Due to exchange control laws in the PRC, if the Participant is a PRC national, he or she will be required to immediately repatriate the cash proceeds from the sale of the Shares to the PRC. The Participant

understands and agrees that such cash proceeds will need to be repatriated to the PRC through a special exchange control account established by the Company, a Subsidiary, or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Shares may be transferred to such special account prior to being received by him or her. The cash proceeds may be paid in U.S. dollars or local currency at the Company's discretion. If the cash proceeds are paid in U.S. dollars, the Participant acknowledges that he or she will be required to set up a U.S. dollar bank account in China so that the cash proceeds may be delivered to this account. If the cash proceeds are converted to local currency, the Participant acknowledges that the Company is under no obligation to secure any currency conversion rate.

The Participant further understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant also understands and agrees that the Company is not responsible for any currency fluctuation that may occur between the date the Shares are sold and the date the cash proceeds are distributed to the Participant.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in the PRC.

COLOMBIA

Terms and Conditions

Labor Law Acknowledgment. This provision supplements the acknowledgment contained in Section 16 of the Agreement:
The Participant acknowledges that, pursuant to Article 128 of the Colombian Labor Code, the Program and related benefits do not constitute a component of his or her "salary" for any legal purpose.

Notifications

Securities Law Information. The Shares are not and will not be registered in the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*) and, therefore, the Shares may not be offered to the public in Colombia. Nothing in the Program, the Agreement or any other document evidencing the grant of the RSU shall be construed as the making of a public offer of securities in Colombia.

Exchange Control Information. Investments in assets located outside Colombia (including Shares) are subject to registration with the Central Bank (*Banco de la República*). Further, the Participant must repatriate any proceeds from the sale of Shares or any cash dividends paid on such Shares through the Colombian foreign exchange market (*i.e.*, local Colombian banks). The Participant is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting requirements in connection with the RSU and any Shares acquired or funds received under the Program. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset / Account Tax Reporting Information. The Participant must file an annual informative return with the Colombian Tax Office detailing any assets (*e.g.* Shares) held abroad. If the individual value of any of these assets exceeds a certain threshold, the Participant must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require the Participant to fulfill certain notification duties in relation to the RSU and the opening and maintenance of a foreign account (e.g., the Participant may be required to report foreign direct investments, financial credits from abroad, investment in foreign securities and associated collections and payments). However, because exchange control regulations change frequently and without notice, the Participant should consult the Participant's personal legal advisor prior to the vesting of the RSU to ensure compliance with current regulations. It is the Participant's responsibility to comply with applicable exchange control laws.

DENMARK

Terms and Conditions

Stock Option Act. The Participant acknowledges that he or she has received an Employer Statement in Danish, which sets forth the additional terms of the RSU to the extent that the Danish Stock Option Act applies.

Notifications

Exchange Control Information. If the Participant establishes an account holding Shares or cash outside Denmark, he or she may be required to report the account to the Danish Tax Administration as part of his or her annual tax return under the section on foreign affairs and income.

DOMINICAN REPUBLIC

There are no country-specific provisions.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

French-Qualified RSU. This RSU is intended to qualify for the favorable tax and social security regime in France under Section L. 225-197-1 to L. 225-197-5 and Sections L. 22-10-59 and L. 22-10-60 of the French Commercial Code, as amended. Certain events may affect the status of the RSU as French-qualified, and the French-qualified RSU may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the RSU. If the RSU no longer qualifies as French-qualified, the favorable tax and social security treatment will not apply, and the Participant will be required to pay his or her portion of social security contributions and income tax due with respect to the RSU which will be withheld by the Company or the Employer by any of the means referred to in Section 13 of the Agreement.

Program and Sub-Plan Terms. The RSU is subject to the terms and conditions of the Program and the Rules for the Grant of Restricted Stock Units under the Edwards Lifesciences Corporation Long-Term Stock Incentive Compensation Program to Employees in France (the "French Sub-Plan"). To the extent that any term is defined in both the Program and the French Sub-Plan, for purposes of this grant of a French-qualified RSU, the definitions in the French Sub-Plan shall prevail.

Vesting. This provision supplements Section 2 in the Agreement:

Except in the event of the Participant's death or Disability (as defined in the French Sub-Plan), to benefit from the favorable tax and social security regime, no vesting shall occur prior to the first anniversary of the Date of Grant, or such other minimum period as required for the vesting period applicable to French-qualified RSUs under Section L.225-197-1 of the French Commercial Code, as amended, or relevant Sections of the French Tax Code or the French Social Security Code, as amended.

Termination of Employment by Death. This provision replaces Section 3(a) of the Agreement with respect to termination of employment by death:

All unvested Shares under this RSU shall immediately vest as of the Participant's date of termination by death. The Participant's heirs may request issuance of the underlying Shares within six (6) months of the Participant's death. If the Participant's heirs do not request the issuance of the underlying Shares within six (6) months of the Participant's death, this RSU will be forfeited.

Restriction on Transfer and Sale of Shares. This provision supplements Section 2 in the Agreement:

The Participant may not sell or transfer the Shares issued at vesting of the RSU or transfer such Shares to another broker prior to the second anniversary of the Date of Grant specified in the Statement, or such other period as is required to comply with the minimum mandatory holding period applicable to French-qualified RSUs under Section L. 225–197-1 of the French Commercial Code, as amended or the relevant sections of the French Tax Code or the French Social Security Code to benefit from the French specific tax and social security regime. These restrictions will apply even after the Participant is no longer employed by the Employer, the Company or one of its Subsidiaries. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of Disability (as defined under the French Sub-Plan), are not subject to this restriction on the sale or transfer of Shares.

Further, as long as the RSU and the Shares acquired at vesting of the RSU maintain their French-qualified status, the Shares cannot be sold during certain "Closed Periods" as provided for by Section L. 225-197-1 of the French Commercial Code, as amended, and as interpreted by the French administrative guidelines, so long as these Closed Periods are applicable to Shares issued pursuant to French-qualified RSUs, and to the extent applicable. Notwithstanding the above, the Participant's heirs, in the case of the Participant's death, or the Participant, in the case of Disability (as defined under the French Sub-Plan), are not subject to the restriction on the sale of Shares during Closed Periods.

Changes in Capitalization. This provision supplements Section 9 in the Agreement:

Certain adjustments may disqualify the RSU, in which case it may no longer benefit from favorable tax and social security treatment in France.

Language Consent. By accepting the RSU, the Participant confirms having read and understood the Agreement and the Program, including all terms and conditions included therein, that were provided in the English language. The Participant accepts the terms of these documents accordingly.

En acceptant le RSU, vous confirmez avoir lu et compris ce Contrat et le Program, inclutant tous leur termes et conditions, qui lui ont été transmis en langue anglaise. Vous acceptez les dispositions de ces documents en connaissance de cause.

Notifications

Foreign Asset and Account Reporting. If the Participant holds cash or Shares outside of France, he or she must declare all foreign bank and brokerage accounts (including any accounts that were opened or closed during the tax year) on an annual basis on form No. 3916, together with their income tax return. Failure to complete this reporting triggers penalties for a French resident Participant.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant makes or receives a cross-border payment in excess of €12,500 (*e.g.*, repatriation of proceeds from the sale of Shares acquired under the Program), he or she must report the payment to the German Federal Bank electronically using the "General Statistics Reporting Portal" available via the Bank's website (www.bundesbank.de). If required, the report must be filed by the 5th day of the month following the month in which the payment occurred.

Foreign Account and Asset Reporting. If the Participant's acquisition of Shares under the Program leads to a so-called "qualified participation" at any point during the calendar year, the Participant will need to report the acquisition of Shares when the Participant files his or her tax return for the relevant year. A qualified participation occurs only if (i) the Participant owns 1% or more of the Company and the value of the Shares acquired exceeds €150,000 or (ii) the Shares held exceed 10% of the Company's total common stock. The Participant should consult with the Participant's personal tax advisor to ensure he or she complies with applicable reporting obligations.

GREECE

There are no country-specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Program to India within the required time period specified under applicable exchange control regulations in India. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Account and Asset Reporting. The Participant is required to declare any foreign bank accounts and assets (including Shares acquired under the Program) on his or her annual tax return. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable reporting obligations.

IRELAND

There are no country-specific provisions.

ISRAEL

Terms and Conditions

Securities Law Exemption. An exemption from the requirement to file a prospectus with respect to the Program has been granted to the Company by the Israeli Securities Authority under Section 15D of the Securities Law, 1968. Copies of the Program and Form S-8 registration statement for the Program filed with the United States Securities and Exchange Commission are available free of charge upon request at the Participant's local HR department.

The following provisions apply to Participants who are in Israel on the Date of Grant.

Trustee Arrangement. The Participant acknowledges and agrees that the RSU is granted under the Israeli Subplan to the Program and shall be allocated under the provisions of the track referred to as the "Capital Gains Track" pursuant to Sections 102(b) and 102(b)(3) of the Israel Income Tax Ordinance [New Version], 1961 and shall be held by the trustee engaged by the Company (the "Trustee") for the 24 month period from the Date or Grant or such other period as required under Section 102 (the "Holding Period").

The Participant hereby declares that:

1. Participant understands the provisions of Section 102 and the applicable tax track of this grant of RSUs.

2. Subject to the provisions of Section 102, the Participant hereby confirms that the Participant shall not sell and/or transfer the RSU, or any Shares or additional rights associated with the RSU, before the end of the Holding Period. In the event that Participant elects to sell or release the Shares or additional rights, as the case may be, prior to the expiration of the Holding Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Participant.

3. The Participant understands that this grant of the RSU is conditioned upon the receipt of all required approvals from Israeli tax authorities.

4. The Participant agrees to be bound by the provisions of the trust agreement with the Trustee.

The Participant hereby confirms that he or she has: (i) read and understands this Agreement; (ii) received all the clarifications and explanations that he or she has requested; and (iii) had the opportunity to consult with his or her advisers before accepting this Agreement.

Written Acceptance. **IMPORTANT**: If the Participant has not already executed a Section 102 Capital Gains Track Grant Consent ("Consent") in connection with grants made under the Israeli Subplan to the Program, the Participant must print, sign and deliver the Consent within 45 days to Altshuler Shaham Investment House at the following address and the attention of: Olga Pitzik, Account Manager, Altshuler Shaham Investment House, 19A Habarzel St., Ramat Hachayal, Tel Aviv 6971026 or Adi Waisbard, Edwards Lifesciences (Israel) Ltd. If the signed Consent is not received at the above address within 45 days, the RSU shall not qualify for favorable tax treatment.

The following provision applies only to Participants who transfer into Israel after the Date of Grant.

Immediate Sale of Shares. This provision supplements Section 2 of the Agreement:
To ensure proper withholding of Tax-Related Items, upon the vesting and settlement of the RSU, the Participant agrees to the immediate sale of any Shares to be issued. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less Tax-Related Items and any brokerage fees or commissions, to the Participant. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price.

ITALY

Terms and Conditions

Grant Terms Acknowledgment. By accepting the RSU, the Participant acknowledges that the Participant has received a copy of the Program and the Agreement and has reviewed the Program and the Agreement, including the Appendices, in their entirety and fully understands and accepts all provisions of the Program and the Agreement, including the Appendices. The Participant further acknowledges having read and specifically approves the following sections of the Agreement: Section 13 (Responsibility for Taxes), Section 15 (Miscellaneous), Section 16 (Nature of Grant), Section 18 (Data Privacy Notice and Consent), Section 21 (Governing Law and Venue) and Section 27 (Imposition of Other Requirements).

Notifications

Foreign Asset and Account Reporting. To the extent the Participant holds investments abroad or foreign financial assets that may general taxable income in Italy (such as Shares acquired under the Program) during the calendar year, the Participant is required to report them on his or her annual tax return (UNICO Form, RW Schedule), or on a special form if no tax return is due and pay the foreign financial assets tax. The tax is assessed at the end of the calendar year or on the last day the shares are held (in such case, or when shares are acquired during the course of the year, the tax is levied in proportion to the number of days the shares are held over the calendar year). No tax payment duties arise if the amount of the foreign financial assets tax calculated on all financial assets held abroad does not exceed a certain threshold.

JAPAN

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets outside of Japan with a value exceeding ¥50,000,000 (as of December 31 each year), he or she is required to comply annual tax reporting obligations with respect to such assets. The Participant should consult with his or her personal tax advisor to ensure that he or she is properly complying with applicable reporting obligations.

KOREA

Notifications

Foreign Asset and Account Reporting. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) they hold in any foreign country that does not enter into an "inter-governmental agreement for automatic exchange of tax information" with Korea, to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. Korean residents should consult their personal tax advisor to determine their personal reporting obligations.

MALAYSIA

Notifications

Director Notification Obligations. If the Participant is a director of a Malaysian Subsidiary or affiliate of the Company, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary or affiliate in writing when the Participant receives or disposes an interest in the Company (e.g., Shares) within 14 days of such transaction.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. In accepting the RSU, the Participant expressly recognizes that the Company with registered offices at One Edwards Way, Irvine, California 92614, U.S.A., is solely responsible for the administration of the Program and that his or her participation in the Program and acquisition of Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Program on a wholly commercial basis and his or her sole Employer is **Edwards Lifesciences México S.A. de C.V.** ("Edwards Mexico") with registered offices at Av. Insurgentes Sur 1431 Piso 15 – Oficina 1502, Col. Insurgentes Mixcoac, Benito Juárez, Ciudad de México - C.P. 03920**.** Based on the foregoing, the Participant expressly recognizes that the Program and the benefits that the Participant may derive from participating in the Program do not establish any rights between the Participant and the Employer, Edwards Mexico, and do not

form part of the employment conditions and/or benefits provided by Edwards Mexico and any modification of the Program or its termination shall not constitute a change or impairment of the terms and conditions of his or her employment.

The Participant further understands that his or her participation in the Program is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that the Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Program or the benefits derived under the Program, and the Participant therefore grants a full and broad release to the Company, its Subsidiaries, branches, representation offices, shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Document Acknowledgment. By accepting the RSU, the Participant acknowledges that he or she has received a copy of the Program, has reviewed the Program and the Agreement in their entirety and fully understands and accepts all provisions of the Program and the Agreement. In addition, by accepting the RSU, the Participant acknowledges that he or she has read and specifically and expressly approves the terms and conditions in Section 16 of the Agreement ("Nature of Grant"), in which the following is clearly described and established: (i) participation in the Program does not constitute an acquired right; (ii) the Program and participation in the Program is offered by the Company on a wholly discretionary basis; (iii) participation in the Program is voluntary; and (iv) neither the Company, the Employer nor any Subsidiary is responsible for any decrease in the value of the Shares underlying the RSU.

Reconocimiento de Ausencia de Relación Laboral y Declaración de la Política
Al aceptar el RSU, usted expresamente recononce que la Compañía y sus oficinas registradas en One Edwards Way, Irvine, California 92614, U.S.A., es el único responsable de la administración del Program y que su participación en el mismo y la compra de Acciones no constituye de ninguna manera una relación laboral entre usted y la Compañía, toda vez que su participación en el Program deriva únicamente de una relación comercial con ***Edwards Lifesciences México S.A. de C.V.*** *(«Edwards México») y sus oficinas registradas en Av. Insurgentes Sur 1431 Piso 15 – Oficina 1502, Col. Insurgentes Mixcoac, Benito Juárez, Ciudad de México - C.P. 03920. Derivado de lo anterior, usted expresamente reconoce que el Program y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre usted y su Empleador, Edwards México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por Edwards México, y expresamente usted reconoce que cualquier modificación al Program o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de sus condiciones de trabajo.*

Asimismo, usted entiende que su participación en el Program es el resultado de una decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar su participación en cualquier momento, sin ninguna responsabilidad hacia usted.

Finalmente, usted manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Program o de los beneficios derivados del mismo, y en consecuencia usted otorga un amplio y total finiquito a la Compañía, sus afiliadas, sucursales, oficinas de representación, accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Reconocimiento de Documentos*. Al aceptar el RSU, usted reconoce que ha recibido una copia del Program, que ha revisado el Program y el Acuerdo de Concesión en su totalidad y entiende y acepta los términos del Program y del Acuerdo de Concesión. Adicionalmente, al aceptar los RSU, el Participante reconoce que ha leído y específica y expresamente aprueba los términos y condiciones del Sección 16 del Acuerdo de Concesión (denominado "Naturaleza de la Concesión"), donde claramente se establece que (i) la participación en el Program no constituye un derecho adquirido, (ii) el Program y la participación en el Program es ofrecido por la Compañía en forma totalmente discresional; (iii) la participación en el Program es voluntaria; y (iv) ni la Compañía ni el Patrón ni su Afiliada es responsable por el decremento en el valor de las acciones de los RSU.*

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

Notifications

Securities Law Information. *Warning: This is an offer of rights to receive Shares upon vesting of the RSU subject to the terms of the Program and this Agreement. RSUs give the Participant a stake in the ownership of the Company. The Participant may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors and holders of preferred shares have been paid. The Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing to participate in the Program.

The Company's Shares are currently traded on the New York Stock Exchange under the ticker symbol "EW" and Shares acquired under the Program may be sold through this exchange. The Participant may end up selling the Shares at a price that is lower than the value of the Shares when the Participant acquired them. The price will depend on the demand for the Shares.

For information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the risk factors discussion on the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at http://ir.edwards.com/investor-relations.

Foreign Asset and Account Reporting. Interests in foreign companies (including Shares acquired under the Plan) must be declared in the annual tax return. The Participant should consult with a personal tax advisor to ensure that he or she is properly complying with applicable reporting requirements in New Zealand.

NORWAY

There are no country-specific provisions.

POLAND

Notifications

Foreign Asset and Account Reporting. Polish residents holding foreign securities (including Shares) and/or maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances (when combined with all other assets held abroad) exceeds PLN 7 million. If required, the reports are due on a quarterly basis by the 20th day following the end of each quarter. The reports are filed on special forms available on the website of the National Bank of Poland.

Exchange Control Information. If a Polish resident transfers funds in excess of a specified threshold (currently €15,000, or PLN 15,000 if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland, the funds must be transferred via a Polish bank account or financial institution. Polish residents are required to retain the documents connected with a foreign exchange transaction for a period of five years measured from the end of the year in which the relevant transaction occurred.

PORTUGAL

Terms and Conditions

English Language Consent. The Participant hereby expressly declares that he or she has full knowledge of the English language and has read, understood and fully accepts and agrees with the terms and conditions established in the Program and the Agreement.

***Consentimento de Lingua Inglesa**. O beneficiário pelo presente declara expressamente que tem pleno conhecimento da língua Inglesa e que leu, compreendeu e totalmente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.*

PUERTO RICO

There are no country-specific provisions.

SINGAPORE

Notifications

Securities Law Notification. The RSU was granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). Neither the Agreement nor the Program have been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that his or her RSU is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale of the Shares in Singapore, or any offer of such subsequent sale of the Shares underlying the RSU unless such sale or offer in Singapore is made (i) after six months from the Date of Grant of the RSU, or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.), or pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Subsidiary or other related company in Singapore, then the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (*e.g.*, RSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Program). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a director.

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 13 of the Agreement:
By accepting the RSU, the Participant agrees that, immediately upon vesting and settlement of the RSU, the Participant will notify the Employer of the amount of any gain realized. The Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Securities Law Notification. The grant of the RSU and the Shares issued pursuant to the vesting of the RSU are considered a small offering under Section 96 of the South Africa Companies Act, 2008 (Act No. 71 of 2008).

Exchange Control Information. To participate in the Program, the Participant must comply with exchange control regulations and rulings in South Africa and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws. Because no transfer of funds from South Africa is required under the RSU, no filing or reporting requirements should apply when the RSU is granted or when Shares are issued upon vesting and settlement of the RSU, nor should the RSU or the underlying Shares count towards the annual offshore investment limit. However, because the exchange control regulations are subject to change, the Participant should consult the Participant's personal advisor prior to vesting and settlement of the RSU to ensure compliance with current regulations.

SPAIN

Terms and Conditions

Responsibility for Taxes. By accepting the RSU, the Participant agrees that the amount of any payment on account payable by the Employer with respect to the vesting of the RSU will be transferred to the Participant and withheld by the Company or the Employer.

Nature of Grant. The following provision supplements Section 16 of the Agreement:

By accepting the RSU, the Participant consents to participation in the Program and acknowledge that the Participant has received a copy of the Program.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is limited and entered into based upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any parent, Subsidiary or affiliate, including the Employer, on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, the Participant understands that the RSU is granted on the assumption and condition that the RSU shall not become part of any employment contract (whether with the Company or any parent, Subsidiary

or affiliate, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the RSU, which is gratuitous and discretionary, since the future value of the RSU and the underlying Shares is unknown and unpredictable. The Participant also understands that this grant of RSUs would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, then the grant of this RSU shall be null and void.

Further, this RSU is a conditional right to Shares and can be forfeited in the case of, or affected by, the Participant's termination of employment. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates employment due to unilateral breach of contract of the Company or any of its Subsidiaries; or (5) the Participant's employment terminates for any other reason whatsoever, except for Cause. Consequently, upon termination of the Participant's employment for any of the reasons set forth above, the Participant may automatically lose any rights to the unvested RSU granted to the Participant as of the date of his or her termination of employment, as described in the Program and the Agreement.

Notifications

Foreign Asset and Account Reporting. To the extent that Spanish residents hold assets (*e.g.*, Shares, cash, etc.) in a bank or brokerage account outside of Spain with a value in excess of €50,000 per type of asset as of December 31 each year, such residents are required to report information on such assets on their tax return for such year. Shares constitute securities for purposes of this requirement, but unvested rights (*e.g.*, RSUs) are not considered assets for purposes of this requirement.

If applicable, Spanish residents must report the assets on Form 720 by no later than March 31 following the end of the relevant year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000. Failure to comply with this reporting requirement may result in penalties.

Exchange Control Information. The Participant must declare the acquisition of Shares to the *Dirección General de Política Comercial e Inversiones* ("DGCI") of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be made by filing a D-6 form each January for Shares acquired or sold during (or owned by the Participant as of December 31) of the prior year; however, if the value of Shares acquired or sold exceeds €1,502,530, the declaration must also be filed within one month of the acquisition or sale, as applicable.

Spanish residents are also required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made by the Company) if the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year exceed €1,000,000. Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

Securities Law Notification. The grant of the RSU and the Shares issued pursuant to the vesting of the RSU are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

SWEDEN

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 13 of the Agreement:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 13 of the Agreement, in accepting the grant of the RSU, the Participant authorizes the Company and/or the Employer to sell or withhold Shares otherwise deliverable to the Participant upon vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the RSU (1) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (2) may be publicly distributed nor otherwise made available in Switzerland to any person other than an employee of the Company, or (3) have been or will be

filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss Regulatory Authority, including the Swiss Financial Market Supervisory Authority (FINMA).

Foreign Asset and Account Reporting. The Participant is required to declare all of his or her foreign bank and brokerage accounts in which the Participant holds cash or securities, including the accounts that were opened and/or closed during the tax year, as well as any other assets, on an annual basis in his or her tax return. This includes RSUs granted to you under the Plan which should not be subject to the net wealth tax, but must be reflected "pro memoria" in the statement on bank accounts and securities (*Wertschriftenverzeichnis*) that you are required to file with your tax return.

TAIWAN

Notifications

Securities Law Notification. The offer of participation in the Program is made only to employees of the Company and its Subsidiaries. The offer of participation in the Program is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Participant may remit foreign currency in relation to Shares into Taiwan through an authorized foreign exchange bank in an amount of up to US$5,000,000 per year. However, if the transaction amount is TWD$500,000 or more in a single transaction, the Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank. The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. If the Participant receives funds in connection with the Program (e.g., dividends or sale proceeds) with a value equal to or greater than US$1,000,000 per transaction, the Participant is required to immediately repatriate such funds to Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. The Participant is also required to inform the authorized agent of the details of the foreign currency transaction, including his or her identification information and the purpose of the transaction.

If the Participant does not comply with the above obligations, he or she may be subject to penalties by the Bank of Thailand. Because exchange control regulations change frequently and without notice, the Participant should consult his or her legal advisor before selling any Shares (or receiving any other funds in connection with the Program) to ensure compliance with current regulations. It is the Participant's responsibility to comply with exchange control laws in Thailand, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws.

TURKEY

Notifications

Securities Law Information. Turkish residents are not permitted to sell Shares acquired under the Program in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol "EW" and the Shares may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, Turkish residents may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Program. Turkish residents should consult their personal legal advisor before selling any Shares acquired under the Program to confirm the applicability of this requirement.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. Participation in the Program is being offered only to eligible Employees and Contractors and is in the nature of providing equity incentives to Employees and Contractors in the United Arab Emirates. The Program and the Agreement are intended for distribution only to such persons and must not be delivered to, or relied on by, any other person. Prospective acquirers of the securities offered should conduct their own due diligence on the securities. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Program.

Neither the Ministry of Economy nor the Dubai Department of Economic Development: (i) have approved the Program or the Agreement; (ii) have taken steps to verify the information set out therein; and (iii) have any responsibility for such documents.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following supplements Section 13 of the Agreement:

Without limitation to Section 13 of the Agreement, the Participant agrees to be liable for any Tax-Related Items related to his or her participation in the Program and legally applicable to the Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (as within the meaning of Section 13(k) of the Exchange Act), the amount of any uncollected income tax not collected within ninety (90) days of the end of the U.K. tax year may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or Employer for the value of any NICs due on this additional benefit, which may be recovered from the Participant by the Company or the Employer by any of the means referred to in Section 13 of the Agreement.

ADDITIONAL DEFINED TERMS APPENDIX

When used in this Agreement, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

"Cause" shall mean the occurrence of any one or more of the following (provided that the determination of whether "Cause" exists at any time prior to the occurrence of a Change in Control shall be determined solely by the Company, in the exercise of the Company's good faith and reasonable judgment, and any such determination shall be final and binding upon the parties):

(a) A continuing material breach by the Participant of the duties and responsibilities of the Participant, which duties shall not differ in any material respect from the duties and responsibilities during the 90-day period immediately prior to a Change in Control (other than as a result of incapacity due to a physical or mental condition or illness), which breach is demonstrably willful and deliberate on the Participant's part, is committed in bad faith and without a reasonable belief that such a breach is in the best interests of the Company; or

(b) The Participant has engaged in conduct that is willfully, demonstrably and materially injurious to the Company, monetarily or otherwise; or

(c) The Participant is convicted of, or pled guilty or *nolo contendere* to a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction) that adversely affects the reputation of the Participant or the Company;

provided, that no act or failure to act on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the action or omission was in the best interest of the Company.

"Change in Control" of the Company shall mean the first to occur of any one of the following events after the Date of Grant set forth on the Statement:

(a) Any "Person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (as amended) (other than the Company, 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, and any trustee or other fiduciary holding securities under an employee benefit plan of the Company or such proportionately owned corporation), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(b) During any period of not more than twenty-four (24) months, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in (a), (c), or (d) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(c) The consummation of a merger or consolidation of the Company with any other entity, other than: (i) a merger or consolidation which would result in 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 sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires more than thirty percent (30%) of the combined voting power of the Company's then outstanding securities; or

(d) The Company's stockholders approve a plan of complete liquidation or dissolution of the Company, or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect).

"Good Reason" means, without the Participant's express written consent, the occurrence of any one or more of the following conditions during the Protected Period:

(a) The assignment of the Participant to duties materially inconsistent with the Participant's authorities, duties, responsibilities, and status (including offices, titles, and reporting requirements) as an employee, executive and/or officer of the Company, or a material reduction or alteration in the nature or status of the Participant's authorities, duties, or responsibilities, other than an insubstantial or inadvertent act that is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(b) The Company's requiring the Participant to be based at a location in excess of fifty (50) miles from the location of the Participant's principal job location or office immediately prior to such change, except for required travel on the Company's business to an extent substantially consistent with the Participant's then present business travel obligations;

(c) A reduction by the Company of the Participant's base salary or base rate of compensation, as applicable; or

(d) The failure of the Company to continue in effect any of the Company's short- and long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or other compensation arrangements in which the Participant participates, unless the Participant is permitted to participate in other plans that provide the Participant with substantially comparable benefits; or the failure by the Company to continue the Participant's participation therein on substantially the same basis, both in terms of the amount of benefits provided and the level of the Participant's participation relative to other participants;

provided, however, that any such condition shall not constitute "Good Reason" unless the following requirements are satisfied: (x) the Participant provides the Company the written notice which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination by the Participation for Good Reason within sixty (60) days following the initial existence of the event giving rise to the condition claimed to constitute "Good Reason," (y) the Company fails to remedy such condition within thirty (30) days after receiving such notice (the "Cure Period"), and (z) the Participant resigns in writing from his or her employment, citing failure to remedy the condition giving rise to Good Reason, within thirty (30) days following the expiration of such thirty (30) day cure period.

The Participant's right to terminate employment for Good Reason shall not be affected by the Participant's incapacity due to physical or mental illness. The Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason herein.

"Protected Period" means, with respect to a Change in Control, the period commencing the date that is six (6) months prior to the date of such Change in Control and ending on the date that is twenty four (24) months following such Change in Control.

Edwards Lifesciences Corporation
Long-Term Stock Incentive Compensation Program
Global Performance-Based Restricted Stock Unit Award Agreement

THIS AGREEMENT, including any appendix for the Participant's country (the "Appendix") and the Performance-Based Restricted Stock Unit Statement attached to the front of this agreement (the "Statement"), sets forth the terms and conditions of the performance-based restricted stock unit award (the "PRSU") granted by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named on the Statement, pursuant to the provisions of the Company's Long-Term Stock Incentive Compensation Program (the "Program"). This agreement, the Appendix and the Statement shall be considered one agreement and are referred to herein as the "Agreement."

The Program provides additional terms and conditions governing the PRSU and is incorporated herein by reference. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Grant of PRSU. Effective as of the Date of Grant set forth in the Statement, the Company hereby grants to the Participant a PRSU award with respect to the target number of Shares set forth in the Statement (the "Target Award") in the manner and subject to the terms and conditions of the Program and this Agreement.

The grant of this PRSU to the Participant shall not confer any right to the Participant (or any other Participant) to be granted any Awards in the future under the Program.

2. Vesting of PRSU and Issuance of Shares. Except as may otherwise be provided in Sections 3 and 6 below, the PRSU will vest on the Vesting Date set forth in the Statement, provided the Participant continues to be employed by the Company or one of its Subsidiaries through the Vesting Date and subject to the attainment of certain performance goals set forth in the Statement. Except as expressly provided in Section 4 below, the earned Shares shall be issued to the Participant as soon as practicable (and in all events within sixty (60) days) after the Vesting Date, subject to satisfaction of all Tax-Related Items (as defined in Section 13 below) and to the provisions for U.S. taxpayers set forth in Sections 4 and 10 below.

3. Termination of Employment:

(a) *By Death or Disability*. In the event that, prior to the Vesting Date set forth in the Statement, the Participant ceases to be employed by the Company or one of its Subsidiaries due to the Participant's death or Disability, the PRSU shall remain eligible to vest on the Vesting Date (subject to the attainment of the performance goals set forth in the Statement) and, except as expressly provided in Section 6 if a Change in Control occurs during the Performance Period, the Participant shall vest in the number of Shares subject to the PRSU that would otherwise vest based on performance on the Vesting Date.

(b) *By Retirement*. In the event that, prior to the Vesting Date set forth in the Statement, the Participant ceases to be employed by the Company or one of its Subsidiaries due to the Participant's Retirement after attaining age fifty-five (55) and with at least ten (10) years of service with the Company or any Subsidiary ("Retirement"), the PRSU shall remain eligible to vest on the Vesting Date (subject to the attainment of the performance goals set forth in the Statement) and, except as expressly provided in Section 6 if a Change in Control occurs during the Performance Period, the Participant shall vest in a pro-rated portion of the Shares subject to the PRSU that would otherwise vest based on performance on the Vesting Date, with the pro-rated portion based on the Participant's whole months of service with the Company or any Subsidiary during the Performance Period prior to the date of such Retirement; provided that a partial month of employment will be considered a whole "month of service" for purposes of this Agreement only if the Participant was employed by the Company or any Subsidiary for at least fifteen (15) days during such month. Any portion of the PRSU that remains unvested on the Vesting Date (after giving effect to such pro-ration) shall be considered to have terminated on the Vesting Date.

(c) *For Other Reasons*. Subject to Section 6, the entire PRSU award shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of employment with the Company or any Subsidiary prior to the Vesting Date for any reason other than one of the reasons expressly covered by Sections 3(a) and 3(b).

(d) *Transfer*. For the purposes of this Agreement, a transfer of the Participant's employment between the Company and any Subsidiary (or between Subsidiaries) shall not be deemed a termination of employment. For purposes of this Agreement, if the Participant is employed by an entity that

constitutes a Subsidiary and that entity ceases (as a result of a sale of equity interests in the entity, a spin-off, or otherwise) to constitute a Subsidiary, the Participant will be considered to have ceased to be employed by the Company or one of its Subsidiaries as of the date that such entity so ceases to constitute a Subsidiary unless either (x) the Participant is employed immediately after such transaction or event by the Company or another entity that continues to qualify as a Subsidiary or (y) the entity that is sold, spun-off or otherwise divested and ceases to constitute a Subsidiary (or a successor or a direct or indirect parent of such entity or such a successor) assumes the PRSU award in connection with such transaction.

4. Issuance of Shares for RSUs Subject to Code Section 409A. This Section 4 applies only to the extent that the Participant is a U.S. taxpayer and the RSUs are treated as deferred compensation under Code Section 409A. Except as provided in this Section 4, the Shares that vest pursuant to the terms of this Agreement will be issued on or within sixty (60) days after the Vesting Date. If this Section 4 applies, the following rules set forth in Sections 4(a) and (b) also apply notwithstanding any provision to the contrary in this Agreement.

(a) *Change in Control*. If this PRSU is terminated pursuant to Section 6(c) hereof in connection with a 409A Change in Control, any vested Shares hereunder shall be issued or distributed in accordance with the plan-termination rules set forth in Treasury Regulation Section 1.409A-3(j)(4)(ix) or, in the event the Company is not able to make issuance or distribution in accordance with such regulation, shall be issued or distributed on or within thirty (30) days following the Vesting Date. In the event that any issuance of vested Shares is delayed until after a 409A Change in Control, instead of the issuance of Shares, such portion of the RSU shall be settled in cash in an amount equal to the Fair Market Value of such vested Shares, determined as of the date of the 409A Change in Control.

(b) *Employment Taxes*. In the event the employee portion of the U.S. federal, state and local employment taxes required to be withheld by the Company (the "Employment Taxes") becomes due in a calendar year that precedes the year in which the Vesting Date occurs, the Participant shall, on or before the last business day of the calendar year in which the Employment Taxes become due, deliver to the Company a check payable to its order in the dollar amount equal to the Employment Taxes required to be withheld with respect to those Shares. Alternatively, the Company is vested with the authority, in its sole discretion, to collect the Employment Taxes from the Participant by any of the other methods authorized in Section 13 hereof.

5. No Fractional Shares. In no event shall any fractional Shares subject to the PRSU be issued. Accordingly, the total number of Shares to be issued at the time this PRSU vests (if any) shall, to the extent necessary, be rounded down to the next whole Share in order to avoid the issuance of a fractional share.

6. Change in Control.

(a) *Change in Control During the Performance Period*. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control of the Company during the Performance Period, the following provisions shall apply:

(i) If the Participant's employment with the Company or any of its Subsidiaries continues through the Vesting Date, the Participant shall vest in 100% of the Target Award set forth in the Statement. Except as expressly provided below in this Section 6, the entire PRSU award shall immediately terminate and be forfeited to the Company if the Participant's employment with the Company or any Subsidiary terminates prior to the Vesting Date.

(ii) If the Participant's employment with the Company or any Subsidiary terminates at any time prior to the Vesting Date (whether before or after the Change in Control) due to the Participant's death or Disability, the vesting provided for in Section 3(a) shall be based on the Target Award set forth in the Statement. If the Participant's employment with the Company or any Subsidiary terminates at any time prior to the Vesting Date (whether before or after the Change in Control) due to the Participant's Retirement, the pro-rata vesting provided for in Section 3(b) shall be based on the Target Award set forth in the Statement.

(iii) If, at any time during the Protected Period and prior to the Vesting Date, the Participant ceases to be employed by the Company or one of its Subsidiaries and such termination is the result of (x) a termination of employment either by the Company or such Subsidiary without Cause or by the Participant for Good Reason, and (y) the Participant is entitled to receive (and the Participant satisfies any applicable conditions for) Separation Benefits under the CIC Agreement in connection with such termination of employment, the Participant shall vest in the Target Award set forth in the Statement.

(b) *Change in Control After the Performance Period*. In the event of a Change in Control of the Company after the Performance Period and prior to the Vesting Date, the vesting of the PRSU shall

be determined based on the attainment of the performance goals set forth in the Statement and the applicable termination of employment rules set forth in Section 3; provided, however, that if, at any time during the Protected Period and prior to the Vesting Date, the Participant ceases to be employed by the Company or one of its Subsidiaries and such termination is the result of (x) a termination of employment either by the Company or such Subsidiary without Cause or by the Participant for Good Reason, and (y) the Participant is entitled to receive (and the Participant satisfies any applicable conditions for) Separation Benefits under the CIC Agreement in connection with such termination of employment, the Participant shall vest in the number of Shares subject to the PRSU that would otherwise vest based on performance on the Vesting Date.

(c) *Possible Acceleration on 409A Change in Control*. Notwithstanding anything to the contrary in this Agreement or in the Program, if a 409A Change in Control occurs, the Board or the Committee may provide for either (i) the assumption, substitution or exchange of this PRSU by the acquiring or successor entity (or a parent thereof) based upon, to the extent relevant under the circumstances, the distribution or consideration payable to holders of the Shares upon or in respect of such event, or (ii) the termination of this PRSU upon such event (in each case, after giving effect to any applicable vesting provisions herein); provided, however, that if this PRSU will terminate upon such event as provided in clause (ii) and the Participant's employment with the Company or any of its Subsidiaries continues through such event, the vesting of the PRSU will be determined hereunder as though the Participant's employment had continued through the Vesting Date.

(d) *Application of Other Agreements*. For purposes of clarity, the accelerated vesting and any alternative timing of payment provisions provided in Article 13 of the Program and Section 2.3(e) of the CIC Agreement shall not apply to this PRSU.

(e) *Certain Terminations Prior to Change in Control*. If the Participant's employment terminates prior to a Change in Control in the circumstances contemplated by Section 6(a)(iii) or Section 6(b), this PRSU shall (i) remain outstanding and unvested for a period of six (6) months following such termination of employment and, should a Change in Control occur during such six-month period, shall vest as provided in Section 6(a)(iii) or 6(b), as applicable; and (B) terminate and be forfeited at the end of such six-month period should no Change in Control occur during such six-month period.

(f) *Definitions*. For purposes of this Agreement and notwithstanding any to the contrary in the Program, the following definitions shall apply:

(i) "409A Change in Control" means a Change in Control; provided, however, that a transaction shall not constitute a 409A Change in Control unless it is a "change in the ownership or effective control" of the Company, or a change "in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(ii) "CIC Agreement" means the Change-in-Control Severance Agreement between the Participant and the Company as in effect on the Date of Grant and as it may thereafter be amended from time to time.

(iii) The terms "Cause", "Change in Control", "Good Reason", "Protected Period", and "Separation Benefits" have the respective meanings ascribed to such terms in the CIC Agreement.

7. Notice of Termination. Any termination of the Participant's employment by the Company for Cause or by the Participant for Good Reason shall be communicated by a written notice to the other party indicating the specific termination provision in this Agreement relied upon, and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated.

8. Restrictions on Transfer. This PRSU may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution applicable to the Participant.

9. Recapitalization. In the event of any change in corporate capitalization of the Company, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) of the Company, or any partial or complete liquidation of the Company, the number and class of Shares subject to this PRSU are subject to adjustment by the Committee pursuant to Section 5.4 of the Plan to prevent dilution or enlargement of rights.

10. Section 409A. This Section 10 applies only to the extent that the Participant is a U.S. taxpayer. This Agreement is intended to either be exempt from or comply with the requirements of Section 409A of the Code so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest

under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant. This Agreement may be amended at any time, without the consent of any party, to avoid the application of Code Section 409A in a particular circumstance or that is necessary or desirable to satisfy any of the requirements under Code Section 409A, but the Company shall not be under any obligation to make any such amendment. Nothing in the Agreement shall provide a basis for any person to take action against the Company or any affiliate based on matters covered by Code Section 409A, including the tax treatment of any amount paid or RSU granted under the Agreement, and neither the Company nor any of its Subsidiaries or affiliates shall under any circumstances have any liability to any Participant or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under the this Agreement, including taxes, penalties or interest imposed under Code Section 409A.

11. Beneficiary Designation. This Section 11 applies only if the Participant resides in the U.S. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

12. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company until the Participant has obtained an ownership interest in the Shares.

13. Responsibility for Taxes.

(a) Regardless of any action the Company or the Participant's employer (if different) (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Program that are legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and that such liability may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this PRSU or the underlying Shares, including the grant or vesting of this PRSU, the issuance of Shares, the subsequent sale of any Shares acquired at vesting of the PRSU and the receipt of any dividends; and (2) do not commit and are under no obligation to structure the terms of the grant or any aspect of the PRSU to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable, tax and/or social security contribution withholding event, the Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy any applicable withholding obligations with respect to Tax-Related Items by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation paid to him or her by the Company and/or the Employer or from any equivalent cash payment received upon vesting of the PRSU; or (ii) withholding from the proceeds of the sale of Shares acquired at vesting of the PRSU, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or (iii) withholding in Shares to be issued upon vesting of the PRSU. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the vested PRSU, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Program. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates in the Participant's jurisdiction(s). In the event of over-withholding, the Participant may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or, if not refunded, the Participant may seek a refund from the applicable tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the tax authorities, the Company or the Employer.

(c) Finally, the Participant shall pay to the Company or the Employer any amount of Tax-Related Items and/or Employment Taxes that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Program that cannot be satisfied by the means described in this Section 13. The Company may refuse to issue or deliver Shares or the proceeds of the sale of Shares to the Participant if the Participant fails to comply with Participant's obligation in connection with the Tax-Related Items and/or Employment Taxes.

14. Continuation of Employment. This Agreement shall not confer upon the Participant any right to continuation of employment with the Employer, nor shall this Agreement interfere in any way with the Employer's right to terminate the Participant's employment at any time with or without cause.

15. Miscellaneous.

(a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to this Award, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable U.S. federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any state or foreign securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

(b) The Board may terminate, amend, suspend or modify the Program and the Committee may amend this PRSU at anytime; provided, however, that no such termination, amendment, suspension or modification of the Program or amendment of this Award may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

(c) The Participant agrees to take all steps necessary to comply with all applicable provisions of U.S. federal, state and foreign securities law in exercising his or her rights under this Agreement.

(d) This Agreement 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.

(e) All obligations of the Company under the Program and this Agreement, with respect to this Award, shall, to the extent legally permissible, 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.

16. Nature of Grant. In accepting the PRSU, the Participant acknowledges, understands and agrees that:

(a) the Program is established voluntarily by the Company and is discretionary in nature;

(b) the grant of the PRSU by the Company is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units grants, if any, will be at the sole discretion of the Company;

(d) the Participant is voluntarily participating in the Program;

(e) the PRSU and any Shares acquired under the Program, and the income from and value of the same, are not part of normal or expected compensation or salary;

(f) unless otherwise agreed with the Company, the PRSU and any Shares acquired under the Program, and the income from and value of the same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary or affiliate of the Company;

(g) the PRSU grant and the Participant's participation in the Program shall not be interpreted to form an employment contract or relationship with the Company or the Employer or any Subsidiary or affiliate of the Company;

(h) the future value of the Shares subject to the PRSU is unknown, indeterminable and cannot be predicted with certainty;

(i) for purposes of the PRSU, the Participant's employment or other service relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any), and unless otherwise provided in this Agreement or decided by the Committee, the Participant's right to

vest in the PRSU under the Program, if any, will terminate effective as of such date and will not be extended by any notice period (e.g., active employment or service would not include a period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); furthermore, the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the PRSU (including whether the Participant may still be considered to be providing services while on a leave of absence);

(j) for Participants who reside outside the U.S., the following additional provisions shall apply:

(i) the PRSU and any Shares, and the income from and value of the same, acquired under the Program are not intended to replace any pension rights or compensation;

(ii) the PRSU and the underlying Shares, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer and are outside the scope of Participant's employment agreement, if any; such items shall not be included in or part of any for any calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or the Employer;

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSU resulting from termination of the Participant's employment or other service relationship by the Company or the Employer (regardless of the reason for such termination and whether or not later found invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any); and

(iv) neither the Company, the Employer or any Subsidiary or affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the PRSU or of any amounts due to the Participant pursuant to the vesting of the PRSU or the subsequent sale of any Shares acquired upon settlement.

17. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Program, or his or her acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Program before taking any action related to the Program.

18. ***Data Privacy Notice and Consent.*** This Section 18 applies if the Participant resides outside the U.S.

(a) Data Collection and Usage. The Company and the Employer collect, process and use certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all PRSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the purposes of implementing, administering and managing the Program. The legal basis, where required, for the processing of Data is the Participant's consent.

(b) Stock Plan Administration Service Providers. The Company will transfer Data to Charles Schwab & Co., Inc. (including its affiliated companies) (collectively, "Charles Schwab"), which is assisting the Company with the implementation, administration and management of the Program. The Company may select different or additional service providers in the future and share Data with such other provider(s) serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with Charles Schwab, with such agreement being a condition to the ability to participate in the Program.

(c) International Data Transfers. The Company and Charles Schwab are based in the United States, which means that it will be necessary for Data to be transferred to, and processed in, the United States. If the Participant is outside the United States, the Participant should note that his or her country has enacted data privacy laws that are different from the United States. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.

(d) Data Retention. The Company will hold and use Data only as long as is necessary to implement, administer and manage the Participant's participation in the Program, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. This may mean Data is retained until after the Participant's service relationship has terminated, plus any additional time periods necessary for compliance with law, exercise or defense of legal rights, archiving, back-up and deletion purposes.

(e) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Program is voluntary, and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant PRSUs or other Awards to the Participant or administer or maintain such Awards.

(f) Data Subject Rights. The Participant may have a number of rights under data privacy laws in the Participant's jurisdiction. Depending on where the Participant is based, such rights may include the right to (i) inquire whether and what kind of Data the Company holds about the Participant and how it is processed, and to request access or copies of Data the Company processes, (ii) request correction or supplementation of the Data about the Participant that is inaccurate, incomplete or out of date in light of the purposes underlying the processing, (iii) request deletion of Data no longer necessary for the purposes underlying the processing processed based on withdrawn consent, processed for legitimate interests that, in the context of the Participant's objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request restrictions on processing of Data, (v) request portability of Data that the Participant has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Participant's employment and is carried out by automated means, (vi) object, in certain circumstances, to the processing of Data for legitimate interests, (vii) lodge complaints with competent authorities in the Participant's jurisdiction and/or (viii) receive a list with the names and addresses of any potential recipients of Data. To receive clarification regarding these rights or to exercise these rights, the Participant should contact his or her local human resources representative.

Finally, the Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent. If applicable, the Participant agrees that upon request of the Company or the Employer, the Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Program in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Program if he or she fails to provide any such consent or agreement requested by the Company and/or the Employer.

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

20. Dispute Resolution. The Participant shall have the right and option to elect to have any good faith dispute or controversy arising under or in connection with this Agreement settled by litigation or arbitration. If arbitration is selected, such proceeding shall be conducted by final and binding arbitration before a panel of three (3) arbitrators in accordance with the rules and under the administration of the American Arbitration Association.

21. Governing Law and Venue. To the extent not preempted by U.S. federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, U.S.A.

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the Program or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Orange County, California, or the federal courts for the United States for the Central District of California, and no other courts, where this grant is made and/or to be performed.

22. Language. The Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow the Participant to understand the terms of this Agreement and any other documents related to the Program. If the Participant has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

23. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an online or electronic system established and maintained by the Company or a third party designated by the Company.

24. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that the Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and the Participant's country, the broker's country or the country in which the Shares are listed (if different), which may affect his or her ability to accept or otherwise acquire, sell, attempt to sell or otherwise dispose of, Shares or rights to Shares (*e.g.*, PRSUs) under the Program or rights linked to the value of Shares during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions, including the United States and the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before possessing inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or otherwise causing them to buy or sell Company securities: "third parties" include fellow employees. Any restrictions under these laws or regulations are separate from and in

addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and should consult his or her personal legal advisor on this matter.

25. Foreign Asset/Account, Exchange Control and Tax Reporting. The Participant acknowledges that, depending on his or her country, the Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from his or her participation in the Program, in, to and/or from a brokerage/bank account or legal entity located outside the Participant's country. The Participant may be required to report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in Participant's country. The Participant also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Program to the Participant's country through a designated bank or broker and/or within a certain time after receipt. The Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult his or her personal tax, legal and/or financial advisors on this matter.

26. Non-U.S. Countries Additional Terms Appendix. Notwithstanding any provisions in this Agreement, the PRSU shall be subject to any additional terms and conditions for the Participant's country set forth in the Appendix. Moreover, if the Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country shall apply to the Participant, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate administration of the Program.

27. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Program, on the PRSU and on any Shares acquired at vesting of the PRSU, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Program, and to require the Participant to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

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

29. Benefit Limit. Notwithstanding anything else contained herein or in the Program to the contrary, in the event that any payments or benefits to which the Participant becomes entitled in accordance with the provisions of this Agreement (or any other agreement with the Company) would otherwise constitute a parachute payment under Code Section 280G(b)(2), then such payments and/or benefits will be subject to reduction to the extent necessary to assure that the Participant receives only the greater of (i) the amount of those payments which would not constitute such a parachute payment or (ii) the amount which yields the Participant the greatest after-tax amount of benefits after taking into account any excise tax imposed under Code Section 4999 on the payments and benefits provided the Participant under this Agreement (or on any other payments or benefits to which the Participant may become entitled in connection with any change in control or ownership of the Company or the subsequent termination of his or her employment with the Company).

Should a reduction in benefits be required to satisfy the benefit limit of this Section 29, then the portion of any parachute payment otherwise payable in cash to the Participant shall be reduced to the extent necessary to comply with such benefit limit. Should such benefit limit still be exceeded following such reduction, then the number of Shares which would otherwise vest on an accelerated basis under each of the Participant's Awards (based on the amount of the parachute payment attributable to each such Award under Code Section 280G) shall be reduced to the extent necessary to eliminate such excess, with such reduction to be made in the same chronological order in which those Awards were made.

In the event there is any disagreement between the Participant and the Company as to whether one or more payments or benefits to which the Participant becomes entitled constitute a parachute payment under Code Section 280G or as to the determination of the present value thereof, such dispute will be resolved as follows:

(a) In the event the Treasury Regulations under Code Section 280G (or applicable judicial decisions) specifically address the status of any such payment or benefit or the method of valuation therefor, the characterization afforded to such payment or benefit by the Regulations (or such decisions) will, together with the applicable valuation methodology, be controlling.

(b) In the event Treasury Regulations (or applicable judicial decisions) do not address the status of any payment in dispute, the matter will be submitted for resolution to independent auditors selected and paid for by the Company. The resolution reached by the independent auditors will be final and controlling; provided, however, that if in the judgment of the independent auditors, the status of the payment in dispute can be resolved through the obtainment of a private letter ruling from the Internal Revenue Service, a formal and proper request for such ruling will be prepared and submitted by the independent auditors, and the determination made by the Internal Revenue Service in the issued ruling will be controlling. All expenses incurred in connection with the preparation and submission of the ruling request shall be paid by the Company.

(c) In the event Treasury Regulations (or applicable judicial decisions) do not address the appropriate valuation methodology for any payment in dispute, the present value thereof will, at the independent auditor's election, be determined through an independent third-party appraisal, and the expenses incurred in obtaining such appraisal shall be paid by the Company.

* * * *

By the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant agrees that this PRSU is granted under and governed by the terms and conditions of the Program and this Agreement, including the Appendix and the Statement.

Further, by the Participant's electronic acceptance of the Agreement and participation in the Program, the Participant declares, without limitation, his or her consent to the data processing operations described in this Agreement. The Participant understands and acknowledges that the Participant may withdraw consent at any time with future effect for any or no reason as described in Section 18(e) above.

NON-U.S. COUNTRIES ADDITIONAL TERMS APPENDIX
EDWARDS LIFESCIENCES CORPORATION
GLOBAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

Terms and Conditions

This Appendix includes additional terms and conditions that govern the PRSU granted to the Participant under the Program if the Participant resides in any of the non-U.S. countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Program and/or the Agreement.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Program. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2021. Such laws are often complex and change frequently. As a result, the Participant should not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the Program because the information may be out of date at the time that the PRSU vests or the Participant sells Shares acquired under the Program.

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

Finally, the Participant understands that if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working, transfers employment after the Date of Grant, or is considered a resident of another country for local law purposes, the information contained herein may not apply to the Participant and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares acquired under the Program outside of Austria (*e.g.*, in a U.S. brokerage account), a reporting obligation to the Austrian National Bank will apply. An exemption applies if the value of the securities held outside Austria as of December 31 does not exceed €5,000,000 or the value of the securities as of any quarter does not exceed €30,000,000. If the former threshold is exceeded, the annual reporting obligations are imposed, whereas if the latter threshold is exceeded, then quarterly reports must be submitted. The annual reporting date is December 31; the deadline for filing the annual report is January 31 of the following year. If the quarterly reporting is required, the reports must be filed on or before the 15th day of the month following the last day of the quarter.

If the Participant holds cash (*e.g.*, dividends or proceeds from the sale of Shares) outside of Austria (*e.g.*, in a U.S. brokerage or bank account), he or she will be subject to monthly reporting if the transaction volume of all cash accounts abroad is €10,000,000 or greater. In this case, transfers of cash into or out of the cash accounts and the balances of such accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, using the form "*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*."

BELGIUM

Notifications

Foreign Asset and Account Reporting. The Participant is required to report any security or bank account (including brokerage accounts) that the Participant maintains outside Belgium on his or her annual tax return. The first time the Participant reports the foreign security and/or bank account on his or her annual income tax return, the Participant will have to provide the National Bank of Belgium with the account number, the name of the bank and the country in which the account was opened in a separate form. The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption *Kredietcentrales / Centrales des crédits*. The Participant should consult with his or her personal tax advisor regarding the specific requirements applicable to the Participant.

Annual Securities Accounts Tax. If the value of securities held in a Belgian or foreign securities account exceeds €1 million, a new "annual securities account tax" applies. Belgian residents should consult with their personal tax advisor regarding the new tax.

BRAZIL

Terms and Conditions

Compliance with Law. By accepting the PRSU, the Participant agrees to comply with applicable Brazilian laws and to report and pay any and all Tax-Related Items associated with the vesting of the PRSU and the sale of Shares obtained pursuant to the PRSU.

Labor Law Acknowledgment. By accepting the PRSU, the Participant agrees that he or she is (i) making an investment decision and (ii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

Further, the Participant acknowledges and agrees that for all legal purposes, (i) any benefits provided to the Participant under the Plan are unrelated to his or her employment or service; (ii) the Plan is not part of the terms and conditions of the Participant's employment or service; and (iii) the income from the Participant's participation in the Plan, if any, is not part of his or her remuneration from employment or service.

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets and rights outside Brazil with an aggregate value of US$1,000,000 or more, then the Participant will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights. Assets and rights that must be reported include Shares acquired under the Program. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

Tax on Financial Transaction (IOF). Payments to foreign countries and repatriation of funds into Brazil (including proceeds from the sale of Shares or from cash dividends paid on such Shares) and the conversion of USD into BRL associated with such fund transfers may be subject to the Tax on Financial Transactions. Brazilian residents must comply with any applicable Tax on Financial Transactions arising from participation in the Program. Brazilian residents should consult with their personal tax advisor for additional details.

CANADA

Terms and Conditions

Award Payable Only in Shares. The grant of the PRSU does not provide the Participant with a right to receive a cash payment; the PRSU is payable only in Shares.

Termination of Employment. This provision replaces Section 16(i) of the Agreement.

For purposes of the PRSU, the Participant's employment or other service relationship will be considered terminated (regardless of the reason for such termination and whether or not later found to be invalid, unlawful or in breach of employments laws in the jurisdiction where the Participant is employed or providing services, or the terms of the Participant's employment or service agreement, if any) as of the earliest of: (1) the date the Participant's employment or service relationship is terminated; (2) the date the Participant receives notice of termination of his or her employment or service relationship; and (3) the date that the Participant is no longer actively providing services to the Company or the Employer, regardless of any notice period or period of pay in lieu of such notice required under applicable employment law (including, without limitation, statutory law, regulatory law and common law) in the jurisdiction where the Participant is employed or providing services or the terms of the Participant's employment or service agreement, if any. If, notwithstanding the foregoing, applicable employment legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSU, if any, will terminate effective as of the last date of the minimum statutory notice period, but the Participant will not earn or be entitled to any pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

Data Privacy. The following provision will apply if the Participant is a resident of Quebec and supplements Section 18 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives, including the broker(s) designated by the Company, to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Program. The Participant further authorizes the Company and any Subsidiary or affiliate and the Program administrator to disclose and discuss the Program with their advisors. The Participant further authorizes the Employer to record such information and to keep such information in the Participant's employee file.

French Language Provision. The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, *ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention.*

Notification

Securities Law Notice. The Participant is permitted to sell Shares acquired through the Program through the designated broker appointed under the Program, if any, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of a stock exchange on which the shares are listed. The Company's Shares are currently listed on the New York Stock Exchange.

Foreign Asset and Account Reporting. Specified foreign property, including Shares acquired under the Program, must be reported on Form T1135 (Foreign Income Verification Statement) if the total cost of such foreign property exceeds CAD 100,000 at any time during the year. PRSUs also must be reported--generally at a nil cost--if the $100,000 cost threshold is exceeded because of other specified foreign property the Participant holds. The Form T1135 must be filed by April 30 of the following year. The Participant should consult with his or her personal tax advisor for further details regarding this requirement.

CHINA

Terms and Conditions

Immediate Sale of Shares. This provision supplements Section 2 of the Agreement:

Due to regulatory requirements in the People's Republic of China ("PRC"), upon the vesting and settlement of the PRSU, the Participant agrees to the immediate sale of any Shares to be issued. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization), and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with any applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from the vesting of the PRSU has been satisfied.

Exchange Control Requirements. Due to exchange control laws in the PRC, if the Participant is a PRC national, he or she will be required to immediately repatriate the cash proceeds from the sale of the Shares to the PRC. The Participant understands and agrees that such cash proceeds will need to be repatriated to the PRC through a special exchange control account established by the Company, a Subsidiary, or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Shares may be transferred to such special account prior to being received by him or her. The cash proceeds may be paid in U.S. dollars or local currency at the Company's discretion. If the cash proceeds are paid in U.S. dollars, the Participant acknowledges that he or she will be required to set up a U.S. dollar bank account in China so that the cash proceeds may be delivered to this account. If the cash proceeds are converted to local currency, the Participant acknowledges that the Company is under no obligation to secure any currency conversion rate.

The Participant further understands and agrees that there will be a delay between the date the Shares are sold and the date the cash proceeds are distributed to the Participant. The Participant also understands and agrees that the Company is not responsible for any currency fluctuation that may occur between the date the Shares are sold and the date the cash proceeds are distributed to the Participant.

The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in the PRC.

COLOMBIA

Terms and Conditions

Labor Law Acknowledgment. This provision supplements the acknowledgment contained in Section 16 of the Agreement:

The Participant acknowledges that, pursuant to Article 128 of the Colombian Labor Code, the Program and related benefits do not constitute a component of his or her "salary" for any legal purpose.

Notifications

Securities Law Information. The Shares are not and will not be registered in the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*) and, therefore, the Shares may not be offered to the public in Colombia. Nothing in the Program, the Agreement or any other document evidencing the grant of the PRSU shall be construed as the making of a public offer of securities in Colombia.

Exchange Control Information. Investments in assets located outside Colombia (including Shares) are subject to registration with the Central Bank (*Banco de la República*). Further, the Participant must repatriate any proceeds from the sale of Shares or any cash dividends paid on such Shares through the Colombian foreign exchange market (*i.e.*, local Colombian banks). The Participant is responsible for complying with any and all Colombian foreign exchange restrictions, approvals and reporting

requirements in connection with the PRSU and any Shares acquired or funds received under the Program. The Participant should consult with his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset / Account Tax Reporting Information. The Participant must file an annual informative return with the Colombian Tax Office detailing any assets (*e.g.* Shares) held abroad. If the individual value of any of these assets exceeds a certain threshold, the Participant must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

COSTA RICA

There are no country-specific provisions.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require the Participant to fulfill certain notification duties in relation to the PRSU and the opening and maintenance of a foreign account (e.g., the Participant may be required to report foreign direct investments, financial credits from abroad, investment in foreign securities and associated collections and payments). However, because exchange control regulations change frequently and without notice, the Participant should consult the Participant's personal legal advisor prior to the vesting of the PRSU to ensure compliance with current regulations. It is the Participant's responsibility to comply with applicable exchange control laws.

DENMARK

Terms and Conditions

Stock Option Act. The Participant acknowledges that he or she has received an Employer Statement in Danish, which sets forth the additional terms of the PRSU to the extent that the Danish Stock Option Act applies.

Notifications

Exchange Control Information. If the Participant establishes an account holding Shares or cash outside Denmark, he or she may be required to report the account to the Danish Tax Administration as part of his or her annual tax return under the section on foreign affairs and income.

DOMINICAN REPUBLIC

There are no country-specific provisions.

FINLAND

There are no country-specific provisions.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant makes or receives a cross-border payment in excess of €12,500 (*e.g.*, repatriation of proceeds from the sale of Shares acquired under the Program), he or she must report the payment to the German Federal Bank electronically using the "General Statistics Reporting Portal" available via the Bank's website (www.bundesbank.de). If required, the report must be filed by the 5th day of the month following the month in which the payment occurred.

Foreign Account and Asset Reporting. If the Participant's acquisition of Shares under the Program leads to a so-called "qualified participation" at any point during the calendar year, the Participant will need to report the acquisition of Shares when the Participant files his or her tax return for the relevant year. A qualified participation occurs only if (i) the Participant owns 1% or more of the Company and the value of the Shares acquired exceeds €150,000 or (ii) the Shares held exceed 10% of the Company's total common stock. The Participant should consult with the Participant's personal tax advisor to ensure he or she complies with applicable reporting obligations.

GREECE

There are no country-specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Program to India within the required time period specified under applicable exchange control regulations in India. The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Account and Asset Reporting. The Participant is required to declare any foreign bank accounts and assets (including Shares acquired under the Program) on his or her annual tax return. The Participant should consult with his or her personal tax advisor to ensure compliance with applicable reporting obligations.

IRELAND

There are no country-specific provisions.

ISRAEL

Terms and Conditions

Securities Law Exemption. An exemption from the requirement to file a prospectus with respect to the Program has been granted to the Company by the Israeli Securities Authority under Section 15D of the Securities Law, 1968. Copies of the Program and Form S-8 registration statement for the Program filed with the United States Securities and Exchange Commission are available free of charge upon request at the Participant's local HR department.

The following provisions apply to Participants who are in Israel on the Date of Grant.

Trustee Arrangement. The Participant acknowledges and agrees that the PRSU is granted under the Israeli Subplan to the Program and shall be allocated under the provisions of the track referred to as the "Capital Gains Track" pursuant to Sections 102(b) and 102(b)(3) of the Israel Income Tax Ordinance [New Version], 1961 and shall be held by the trustee engaged by the Company (the "Trustee") for the 24 month period from the Date or Grant or such other period as required under Section 102 (the "Holding Period").

The Participant hereby declares that:

1. Participant understands the provisions of Section 102 and the applicable tax track of this grant of PRSUs.

2. Subject to the provisions of Section 102, the Participant hereby confirms that the Participant shall not sell and/or transfer the PRSU, or any Shares or additional rights associated with the PRSU, before the end of the Holding Period. In the event that Participant elects to sell or release the Shares or additional rights, as the case may be, prior to the expiration of the Holding Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Participant.

3. The Participant understands that this grant of the PRSU is conditioned upon the receipt of all required approvals from Israeli tax authorities.

4. The Participant agrees to be bound by the provisions of the trust agreement with the Trustee.

The Participant hereby confirms that he or she has: (i) read and understands this Agreement; (ii) received all the clarifications and explanations that he or she has requested; and (iii) had the opportunity to consult with his or her advisers before accepting this Agreement.

Written Acceptance. **IMPORTANT**: If the Participant has not already executed a Section 102 Capital Gains Track Grant Consent ("Consent") in connection with grants made under the Israeli Subplan to the Program, the Participant must print, sign and deliver the Consent within 45 days to Altshuler Shaham Investment House at the following address and the attention of: Olga Pitzik, Account Manager, Altshuler Shaham Investment House, 19A Habarzel St., Ramat Hachayal, Tel Aviv 6971026 or Adi Waisbard, Edwards Lifesciences (Israel) Ltd. If the signed Consent is not received at the above address within 45 days, the PRSU shall not qualify for favorable tax treatment.

The following provision applies only to Participants who transfer into Israel after the Date of Grant.

Immediate Sale of Shares. This provision supplements Section 2 of the Agreement:

To ensure proper withholding of Tax-Related Items, upon the vesting and settlement of the PRSU, the Participant agrees to the immediate sale of any Shares to be issued. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant's behalf pursuant to this authorization),

and the Participant expressly authorizes the Company's designated broker to complete the sale of such Shares. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less Tax-Related Items and any brokerage fees or commissions, to the Participant. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price.

ITALY

Terms and Conditions

Grant Terms Acknowledgment. By accepting the PRSU, the Participant acknowledges that the Participant has received a copy of the Program and the Agreement and has reviewed the Program and the Agreement, including this Appendix, in their entirety and fully understands and accepts all provisions of the Program and this Agreement, including the Appendix. The Participant further acknowledges having read and specifically approves the following sections of the Agreement: Section 13 (Responsibility for Taxes), Section 15 (Miscellaneous), Section 16 (Nature of Grant), Section 18 (Data Privacy Notice and Consent), Section 21 (Governing Law and Venue) and Section 27 (Imposition of Other Requirements).

Notifications

Foreign Asset and Account Reporting. To the extent the Participant holds investments abroad or foreign financial assets that may generate taxable income in Italy (such as Shares acquired under the Program) during the calendar year, the Participant is required to report them on his or her annual tax return (UNICO Form, RW Schedule), or on a special form if no tax return is due and pay the foreign financial assets tax. The tax is assessed at the end of the calendar year or on the last day the shares are held (in such case, or when shares are acquired during the course of the year, the tax is levied in proportion to the number of days the shares are held over the calendar year). No tax payment duties arise if the amount of the foreign financial assets tax calculated on all financial assets held abroad does not exceed a certain threshold.

JAPAN

Notifications

Foreign Asset and Account Reporting. If the Participant holds assets outside of Japan with a value exceeding ¥50,000,000 (as of December 31 each year), he or she is required to comply annual tax reporting obligations with respect to such assets. The Participant should consult with his or her personal tax advisor to ensure that he or she is properly complying with applicable reporting obligations.

KOREA

Notifications

Foreign Asset and Account Reporting. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) they hold in any foreign country that does not enter into an "inter-governmental agreement for automatic exchange of tax information" with Korea, to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 500 million (or an equivalent amount in foreign currency) on any month-end date during a calendar year. Korean residents should consult their personal tax advisor to determine their personal reporting obligations.

MEXICO

Terms and Conditions

Labor Law Acknowledgement. In accepting the PRSU, the Participant expressly recognizes that the Company with registered offices at One Edwards Way, Irvine, California 92614, U.S.A., is solely responsible for the administration of the Program and that his or her participation in the Program and acquisition of Shares does not constitute an employment relationship between the Participant and the Company since the Participant is participating in the Program on a wholly commercial basis and his or her sole Employer is **Edwards Lifesciences México S.A. de C.V.** ("Edwards Mexico") with registered offices at Av. Insurgentes Sur 1431 Piso 15 – Oficina 1502, Col. Insurgentes Mixcoac, Benito Juárez, Ciudad de México - C.P. 03920. Based on the foregoing, the Participant expressly recognizes that the Program and the benefits that the Participant may derive from participating in the Program do not establish any rights between the Participant and the Employer, Edwards Mexico, and do not form part of the employment conditions and/or benefits provided by Edwards Mexico and any modification of the Program or its termination shall not constitute a change or impairment of the terms and conditions of his or her employment.
The Participant further understands that his or her participation in the Program is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation at any time without any liability to the Participant.

Finally, the Participant hereby declares that the Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Program or the benefits derived under the Program,

and the Participant therefore grants a full and broad release to the Company, its Subsidiaries, branches, representation offices, shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Document Acknowledgment. By accepting the PRSU, the Participant acknowledges that he or she has received a copy of the Program, has reviewed the Program and the Agreement in their entirety and fully understands and accepts all provisions of the Program and the Agreement. In addition, by accepting the PRSU, the Participant acknowledges that he or she has read and specifically and expressly approves the terms and conditions in Section 16 of the Agreement ("Nature of Grant"), in which the following is clearly described and established: (i) participation in the Program does not constitute an acquired right; (ii) the Program and participation in the Program is offered by the Company on a wholly discretionary basis; (iii) participation in the Program is voluntary; and (iv) neither the Company, the Employer nor any Subsidiary is responsible for any decrease in the value of the Shares underlying the PRSU.

Reconocimiento de Ausencia de Relación Laboral y Declaración de la Política

Al aceptar el PRSU, usted expresamente recononce que la Compañía y sus oficinas registradas en One Edwards Way, Irvine, California 92614, U.S.A., es el único responsable de la administración del Program y que su participación en el mismo y la compra de Acciones no constituye de ninguna manera una relación laboral entre usted y la Compañía, toda vez que su participación en el Program deriva únicamente de una relación comercial con ***Edwards Lifesciences México S.A. de C.V.*** *(«Edwards México») y sus oficinas registradas en* ***Av. Insurgentes Sur 1431 Piso 15 – Oficina 1502, Col. Insurgentes Mixcoac, Benito Juárez, Ciudad de México - C.P. 03920****. Derivado de lo anterior, usted expresamente reconoce que el Program y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre usted y su Empleador, Edwards México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por Edwards México, y expresamente usted reconoce que cualquier modificación al Program o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de sus condiciones de trabajo.*

Asimismo, usted entiende que su participación en el Program es el resultado de una decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y/o terminar su participación en cualquier momento, sin ninguna responsabilidad hacia usted.

Finalmente, usted manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Program o de los beneficios derivados del mismo, y en consecuencia usted otorga un amplio y total finiquito a la Compañía, sus afiliadas, sucursales, oficinas de representación, accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Reconocimiento de Documentos*. Al aceptar el PRSU, usted reconoce que ha recibido una copia del Program, que ha revisado el Program y el Acuerdo de Concesión en su totalidad y entiende y acepta los términos del Program y del Acuerdo de Concesión. Adicionalmente, al aceptar los PRSU, el Participante reconoce que ha leído y específica y expresamente aprueba los términos y condiciones del Sección 16 del Acuerdo de Concesión (denominado "Naturaleza de la Concesión"), donde claramente se establece que (i) la participación en el Program no constituye un derecho adquirido, (ii) el Program y la participación en el Program es ofrecido por la Compañía en forma totalmente discresional; (iii) la participación en el Program es voluntaria; y (iv) ni la Compañía ni el Patrón ni su Afiliada es responsable por el decremento en el valor de las acciones de los PRSU.*

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

Notifications

Securities Law Information. *Warning: This is an offer of rights to receive Shares upon vesting and settlement of the PRSU subject to the terms of the Program and this Agreement. PRSUs give the Participant a stake in the ownership of the Company. The Participant may receive a return if dividends are paid on the Shares.*

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors and holders of preferred shares have been paid. The Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

The Participant should ask questions, read all documents carefully, and seek independent financial advice before committing to participate in the Program.

The Company's Shares are currently traded on the New York Stock Exchange under the ticker symbol "EW" and Shares acquired under the Program may be sold through this exchange. The Participant may end up selling the Shares at a price that is lower than the value of the Shares when the Participant acquired them. The price will depend on the demand for the Shares.

For information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant should refer to the risk factors discussion on the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at http://ir.edwards.com/investor-relations.

Foreign Asset and Account Reporting. Interests in foreign companies (including Shares acquired under the Plan) must be declared in the annual tax return. The Participant should consult with a personal tax advisor to ensure that he or she is properly complying with applicable reporting requirements in New Zealand.

NORWAY

There are no country-specific provisions.

POLAND

Notifications

Foreign Asset and Account Reporting. Polish residents holding foreign securities (including Shares) and/or maintaining accounts abroad must report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances (when combined with all other assets held abroad) exceeds PLN 7 million. If required, the reports are due on a quarterly basis by the 20th day following the end of each quarter. The reports are filed on special forms available on the website of the National Bank of Poland.

Exchange Control Information. If a Polish resident transfers funds in excess of a specified threshold (currently € 15,000, or PLN 15,000 if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland, the funds must be transferred via a Polish bank account or financial institution. Polish residents are required to retain the documents connected with a foreign exchange transaction for a period of five years measured from the end of the year in which the relevant transaction occurred.

PORTUGAL

Terms and Conditions

English Language Consent. The Participant hereby expressly declares that he or she has full knowledge of the English language and has read, understood and fully accepts and agrees with the terms and conditions established in the Program and the Agreement.

Consentimento de Lingua Inglesa. *O beneficiário pelo presente declara expressamente que tem pleno conhecimento da língua Inglesa e que leu, compreendeu e totalmente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo.*

PUERTO RICO

There are no country-specific provisions.

SINGAPORE

Notifications

Securities Law Notification. The PRSU was granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). Neither the Agreement nor the Program have been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that his or her PRSU is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale of the Shares in Singapore, or any offer of such subsequent sale of the Shares underlying the PRSU unless such sale or offer in Singapore is made (i) after six months from the Date of Grant of the PRSU, or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.), or pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Director Notification. If the Participant is a director, associate director or shadow director of a Singapore Subsidiary or other related company in Singapore, then the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (*e.g.*, PRSUs, Shares) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant

sells Shares acquired under the Program). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two (2) business days of becoming a director.

SOUTH AFRICA

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 13 of the Agreement:

By accepting the PRSU, the Participant agrees that, immediately upon vesting and settlement of the PRSU, the Participant will notify the Employer of the amount of any gain realized. The Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Notifications

Securities Law Notification. The grant of the PRSU and the Shares issued pursuant to the vesting of the PRSU are considered a small offering under Section 96 of the South Africa Companies Act, 2008 (Act No. 71 of 2008).

Exchange Control Information. To participate in the Program, the Participant must comply with exchange control regulations and rulings in South Africa and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws. Because no transfer of funds from South Africa is required under the PRSU, no filing or reporting requirements should apply when the PRSU is granted or when Shares are issued upon vesting and settlement of the PRSU, nor should the PRSU or the underlying Shares count towards the annual offshore investment limit. However, because the exchange control regulations are subject to change, the Participant should consult the Participant's personal advisor prior to vesting and settlement of the PRSU to ensure compliance with current regulations.

SPAIN

Terms and Conditions

Nature of Grant. The following provision supplements Section 16 of the Agreement:

By accepting the PRSU, the Participant consents to participation in the Program and acknowledge that the Participant has received a copy of the Program.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant PRSUs under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is limited and entered into based upon the express assumption and condition that any PRSUs will not economically or otherwise bind the Company or any parent, Subsidiary or affiliate, including the Employer, on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, the Participant understands that the PRSU is granted on the assumption and condition that the PRSU shall not become part of any employment contract (whether with the Company or any parent, Subsidiary or affiliate, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the PRSU, which is gratuitous and discretionary, since the future value of the PRSU and the underlying Shares is unknown and unpredictable. The Participant also understands that this grant of PRSUs would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, then the grant of this PRSU shall be null and void.

Further, this PRSU is a conditional right to Shares and can be forfeited in the case of, or affected by, the Participant's termination of employment. This will be the case, for example, even if (1) the Participant is considered to be unfairly dismissed without good cause (*i.e.*, subject to a "*despido improcedente*"); (2) the Participant is dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) the Participant terminates employment due to a change of work location, duties or any other employment or contractual condition; (4) the Participant terminates employment due to unilateral breach of contract of the Company or any of its Subsidiaries; or (5) the Participant's employment terminates for any other reason whatsoever, except for Cause. Consequently, upon termination of the Participant's employment for any of the reasons set forth above, the Participant may automatically lose any rights to the unvested PRSU granted to the Participant as of the date of his or her termination of employment, as described in the Program and the Agreement.

Notifications

Foreign Asset and Account Reporting. To the extent that Spanish residents hold assets (*e.g.*, Shares, cash, etc.) in a bank or brokerage account outside of Spain with a value in excess of €50,000 per type of asset as of December 31 each year, such residents are required to report information on such assets on their tax return for such year. Shares constitute securities for purposes of this requirement, but unvested rights (*e.g.*, PRSUs) are not considered assets for purposes of this requirement.

If applicable, Spanish residents must report the assets on Form 720 by no later than March 31 following the end of the relevant year. After such assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported assets increases by more than €20,000. Failure to comply with this reporting requirement may result in penalties.

Exchange Control Information. The Participant must declare the acquisition of Shares to the *Dirección General de Política Comercial e Inversiones* ("DGCI") of the Ministry of Economy and Competitiveness for statistical purposes. Generally, the declaration must be made by filing a D-6 form each January for Shares acquired or sold during (or owned by the Participant as of December 31) of the prior year; however, if the value of Shares acquired or sold exceeds €1,502,530, the declaration must also be filed within one month of the acquisition or sale, as applicable.

Spanish residents are also required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made by the Company) if the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year exceed €1,000,000. Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

Securities Law Notification. The grant of the PRSU and the Shares issued pursuant to the vesting of the PRSU are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

SWEDEN

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 13 of the Agreement:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 13 of the Agreement, in accepting the grant of the PRSU, the Participant authorizes the Company and/or the Employer to sell or withhold Shares otherwise deliverable to the Participant upon vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

SWITZERLAND

Notifications

Securities Law Notification. Neither this document nor any other materials relating to the PRSU (1) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (2) may be publicly distributed nor otherwise made available in Switzerland to any person other than an employee of the Company, or (3) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss Regulatory Authority, including the Swiss Financial Market Supervisory Authority (FINMA).

TAIWAN

Notifications

Securities Law Notification. The offer of participation in the Program is made only to employees of the Company and its Subsidiaries. The offer of participation in the Program is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Participant may remit foreign currency in relation to Shares into Taiwan through an authorized foreign exchange bank in an amount up to US$5,000,000 per year. However, if the transaction amount is TWD$500,000 or more in a single transaction, the Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank. The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. If the Participant receives funds in connection with the Program (e.g., dividends or sale proceeds) with a value equal to or greater than US$1,000,000 per transaction, the Participant is required to immediately repatriate such funds to Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. The Participant is also required to inform the authorized agent of the details of the foreign currency transaction, including his or her identification information and the purpose of the transaction.

If the Participant does not comply with the above obligations, he or she may be subject to penalties by the Bank of Thailand. Because exchange control regulations change frequently and without notice, the Participant should consult with his or her legal

advisor before selling any Shares (or receiving any other funds in connection with the Program) to ensure compliance with current regulations. It is the Participant's responsibility to comply with exchange control laws in Thailand, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws.

TURKEY

Notifications

Securities Law Information. Turkish residents are not permitted to sell Shares acquired under the Program in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol "EW" and the Shares may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, Turkish residents may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Program. Turkish residents should consult their personal legal advisor before selling any Shares acquired under the Program to confirm the applicability of this requirement.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. Participation in the Program is being offered only to eligible Employees and Contractors and is in the nature of providing equity incentives to Employees and Contractors in the United Arab Emirates. The Program and the Agreement are intended for distribution only to such persons and must not be delivered to, or relied on by, any other person. Prospective acquirers of the securities offered should conduct their own due diligence on the securities. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Program. Neither the Ministry of Economy nor the Dubai Department of Economic Development: (i) have approved the Program or the Agreement; (ii) have taken steps to verify the information set out therein; and (iii) have any responsibility for such documents.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes. The following supplements Section 13 of the Agreement:

Without limitation to Section 13 of the Agreement, the Participant agrees to be liable for any Tax-Related Items related to his or her participation in the Program and legally applicable to the Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and, if different, the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (as within the meaning of Section 13(k) of the Exchange Act), the amount of any uncollected income tax not collected within ninety (90) days of the end of the U.K. tax year may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("NICs") may be payable. The Participant understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or Employer for the value of any NICs due on this additional benefit, which may be recovered from the Participant by the Company or the Employer by any of the means referred to in Section 13 of the Agreement.

Exhibit 10.15

2020 Nonemployee Directors Stock Incentive Program

Edwards Lifesciences Corporation

(as amended and restated November 18, 2021)

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Edwards Lifesciences Corporation

2020 Nonemployee Directors Stock Incentive Program
(Amended and Restated as of November 18, 2021)[1]

Article 1. Establishment, Objectives, and Duration

1.1. **Establishment of the Program.** Edwards Lifesciences Corporation, a Delaware corporation (hereinafter referred to as the "Company"), hereby adopts the 2020 Nonemployee Directors Stock Incentive Program (hereinafter referred to as the "Program"), as set forth in this document, effective as of February 20, 2020 (the "Effective Date"). The Program permits the grant of Nonqualified Stock Options, Stock Issuances, Restricted Stock, Restricted Stock Units and Stock Appreciation Rights.

1.2. **Objectives of the Program.** The objectives of the Program are to optimize the profitability and growth of the Company through long-term incentives which are consistent with the Company's goals and which link the personal interests of Participants to those of the Company's stockholders. The Program is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Participants who make significant contributions to the Company's success and to allow Participants to share in the success of the Company.

1.3. **Duration of the Program.** The Program shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect, subject to the right of the Board to amend or terminate the Program at any time pursuant to Article 16 hereof, until all Shares subject to it shall have been purchased or acquired according to the Program's provisions.

Article 2. Definitions

Whenever used in the Program, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1 **"Annual Retainer"** means the fixed annual fee of a Nonemployee Director in effect on the first day of the year in which such Annual Retainer is payable for services to be rendered as a Nonemployee Director of the Company. The Annual Retainer does not include meeting or chairmanship fees.

2.2 **"Award"** means, individually or collectively, a grant under this Program of Nonqualified Stock Options, Stock Issuances, Restricted Stock, Restricted Stock Units, or Stock Appreciation Rights.

2.3 **"Award Agreement"** means an agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to Awards granted under this Program.

2.4 **"Board"** or **"Board of Directors"** means the Board of Directors of the Company.

2.5 **"Change in Control"** of the Company shall mean the occurrence of any one 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 the Company, 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, and any trustee or other fiduciary holding securities under an employee benefit plan of the Company or such proportionately owned corporation), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of

[1] Share limits reflect stock splits and stock dividends through June 2020.

securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(b) During any period of not more than twenty-four (24) months, individuals who at the beginning of such period constitute the Board of Directors of the Company, and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2.5(a), 2.5(c), or 2.5(d) of this Section 2.5) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(c) The consummation of a merger or consolidation of the Company with any other entity, other than: (i) a merger or consolidation which would result in 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 sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires more than thirty percent (30%) of the combined voting power of the Company's then outstanding securities; or

(d) The Company's stockholders approve a plan of complete liquidation or dissolution of the Company, or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect.

2.6 **"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

2.7 **"Committee"** means the Compensation and Governance Committee and any successor thereto or any other committee appointed by the Board to administer Awards to Participants, as specified in Article 3 herein. To the extent the Board determines it will administer this Program, references to the Committee shall mean the Board.

2.8 **"Company"** means Edwards Lifesciences Corporation, a Delaware corporation, and any successor thereto as provided in Article 19 herein.

2.9 **"Disability"** means the inability of the Participant to attend any meetings of the Board or a Committee thereof for a period of twenty-six (26) weeks by reason of a medically determinable physical or mental impairment or the resignation or replacement of the Participant as a member of the Board by reason of such impairment.

2.10 **"Effective Date"** shall have the meaning ascribed to such term in Section 1.1 hereof.

2.11 **"Employee"** means an employee of the Company or of a Subsidiary of the Company.

2.12 **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.13 **"Fair Market Value"** means the closing price of a Share on the New York Stock Exchange (or the principal exchange on which the Shares are then traded, if not the New York Stock Exchange) on the date as of which such value is being determined or, if there shall be no reported transactions in the Shares on such exchange for such date, on the next preceding date for which such transactions were reported on such exchange.

2.14 **"Nonemployee Director"** means a member of the Company's Board who is not an Employee of the Company.

2.15 **"Nonqualified Stock Option"** or **"Option"** means an option to purchase Shares granted under Article 6 or Article 11 herein and which is not intended to meet the requirements of Code Section 422.

2.16 **"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.17 **"Participant"** means a Nonemployee Director who has been selected to receive an Award or who has outstanding an Award granted under the Program.

2.18 **"Period of Restriction"** means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, in its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 8 herein.

2.19 **"Restricted Stock"** means an Award granted to a Participant pursuant to Article 8 herein.

2.20 **"Restricted Stock Unit**" means an Award granted to a Participant pursuant to Article 9 herein.

2.21 **"Shares"** means the shares of common stock of the Company.

2.22 **"Stock Appreciation Right"** means an Award granted to a Participant pursuant to Article 10 herein.

2.23 **"Stock Issuance"** means an Award granted to a Participant pursuant to Article 7 herein.

2.24 **"Subsidiary"** means any business, whether or not incorporated, in which the Company beneficially owns, directly or indirectly through another entity or entities, securities or interests representing more than fifty percent (50%) of the combined voting power of the voting securities or voting interests of such business.

Article 3. Administration

3.1 **General.** The Program shall be administered by the Compensation and Governance Committee of the Board, or by any other Committee appointed by the Board for such purpose (or the Board itself if the Board elects to administer this Program). Any Committee administering the Program shall be comprised entirely of directors. The members of the Committee shall be appointed in accordance with the bylaws of the Company and the charter of such Committee. Members of the Committee may participate in the Program. The Committee shall have the authority to delegate administrative duties to officers, Employees, or directors of the Company; provided that the Committee shall not be able to delegate its authority with respect to granting Awards.

3.2 **Authority of the Committee.** Except as limited by law or by the Certificate of Incorporation or Bylaws of the Company, and subject to the provisions of the Program, the Committee shall have the authority to: (a) interpret the provisions of the Program, and prescribe, amend, and rescind rules and procedures relating to the Program; (b) grant Awards under the Program, in such forms and amounts and subject to such terms and conditions as it deems appropriate, including, without limitation, Awards which are made in combination with or in tandem with other Awards (whether or not contemporaneously granted) or compensation or in lieu of current or deferred compensation; (c) subject to Article 16, modify the terms of, cancel and reissue, or repurchase outstanding Awards; (d) prescribe the form of agreement, certificate or other instrument evidencing any Award under the Program; (e) correct any defect or omission and reconcile any inconsistency in the Program or in any Award hereunder; (f) design Awards to satisfy requirements to make such Awards tax-advantaged to Participants in any jurisdiction or for any other reason that the Company desires; and (g) make all other determinations and take all other actions as it deems necessary or desirable for the administration of the Program; provided, however, that no outstanding Option will be (i) amended to lower the exercise

price, (ii) canceled, exchanged or surrendered in exchange for cash or other awards for the purpose of repricing the Option, or (iii) canceled, exchanged or surrendered for the purpose of reissuing such Option to a Participant at a lower exercise price (other than, in each case, pursuant to Section 5.4) without the approval of the Company's stockholders. The determination of the Committee on matters within its authority shall be conclusive and binding on the Company and all other persons. The Committee shall comply with all applicable laws in administering the Program. If and to the extent permitted by law (and subject to Section 3.1 herein), the Committee may delegate its authority as identified herein.

3.3 Decisions Binding. All determinations and decisions made by the Committee pursuant to the provisions of the Program and all related orders and resolutions of the Board shall be final, conclusive and binding on all persons, including the Company, its stockholders, directors, Participants, and their estates and beneficiaries.

Article 4. Eligibility and Participation

4.1 Eligibility. Persons eligible to participate in this Program shall be all Nonemployee Directors.

4.2 Actual Participation. Subject to the provisions of the Program, the Committee may, from time to time, select from all eligible Nonemployee Directors those to whom Awards shall be granted and shall determine the nature and amount of each Award.

Article 5. Shares Subject to the Program

5.1 Number of Shares Available for Grants. Subject to adjustment as provided in Section 5.4 herein, the number of Shares hereby reserved for delivery to Participants under the Program shall be Eight Million Four Hundred Thousand (8,400,000) Shares. Subject to the restrictions for Nonemployee Directors set forth in Article 11, the Committee shall determine the appropriate methodology for calculating the number of Shares issued pursuant to the Program.

5.2 Type of Shares. Shares issued under the Program in connection with Awards may be authorized and unissued Shares or issued Shares held as treasury Shares.

5.3 Reuse of Shares.

(a) **General.** In the event of the expiration or termination (by reason of forfeiture, expiration, cancellation, surrender, failure to vest or otherwise) of any Award under the Program, that number of Shares that was subject to the Award but not delivered shall again be available for subsequent Awards under the Program.

(b) **Restricted Stock.** In the event that Shares are delivered under the Program as Restricted Stock and are thereafter forfeited or reacquired by the Company pursuant to rights reserved upon the grant thereof, such forfeited or reacquired Shares shall again be available as Awards under the Program.

(c) **Stock Appreciation Rights.** Upon exercise of any Stock Appreciation Right, the Share reserve under Section 5.1 shall be reduced by the gross number of Shares as to which such Stock Appreciation Right is exercised.

5.4 Adjustments in Authorized Shares. In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, such adjustment shall be made in the number and class of Shares which may be delivered under Section 5.1, in the number and class of and/or price of Shares subject to outstanding Awards granted under the Program and in the number and/or class of Shares subject to Awards to be granted to Nonemployee Directors under Article 11

(including the applicable limits set forth in Article 11), as shall be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that the number of Shares subject to any Award shall always be a whole number. In a stock-for-stock acquisition of the Company, the Committee may, in its sole discretion, substitute securities of another issuer for any Shares subject to outstanding Awards.

Article 6. Stock Options

6.1 Grant of Options.

(a) Subject to the terms and provisions of the Program, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee.

(b) All Options under the Program shall be granted in the form of nonqualified stock options as no Option under the Program may be granted in the form of an incentive stock option as defined under the provisions of Code Section 422.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine.

6.3 Option Price. The Option Price for each grant of an Option under this Program shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted.

6.4 Duration of Options. Unless the Committee determines otherwise, the term of each Option shall expire on the seventh (7^{th}) anniversary date of its grant, subject to such provisions for earlier expiration as the Committee may specify in accordance with Section 6.8 (relating to termination of directorship) or otherwise.

6.5 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 Payment. Options granted under this Article 6 shall be exercised by the delivery of a written notice of exercise (or such other form of notice as the Company may specify) to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, or compliance with such procedures as the Company may establish for notifying the Company, either directly or through an on-line internet transaction with a brokerage firm authorized by the Company to effect such option exercise, of the exercise of the Option for one or more Shares. Exercise of an Option must be accompanied by full payment for the Shares for which the Option is exercised (or a satisfactory "cashless exercise" notice).

The Option Price upon exercise of any Option shall be payable to the Company in full either: (a) in cash or its equivalent; (b) by tendering previously acquired Shares (by either actual delivery or attestation) having an aggregate Fair Market Value at the time of exercise equal to the total Option Price; (c) by a cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions and such procedures and limitations as the Company may specify from time to time; (d) by any other means which the Committee determines to be consistent with the Program's purpose and applicable law; or (e) by a combination of two or more of (a) through (d).

Subject to any governing rules or regulations, including cashless exercise procedures, as soon as practicable after receipt of a notification of exercise and full payment (or a satisfactory "cashless exercise" notice), the Company shall cause to be issued and delivered to the Participant, in certificate form or otherwise, evidence of the Shares purchased under the Option(s).

6.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

6.8 Termination of Directorship. Each Participant's Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's service to the Company as a Nonemployee Director. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination.

6.9 Nontransferability of Options. Except as otherwise provided in a Participant's Award Agreement, no Option granted under this Article 6 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all Options granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant.

6.10 Substitution of Cash. Unless otherwise provided in a Participant's Award Agreement, and notwithstanding any provision in the Program to the contrary (including but not limited to Section 16.2), in the event of a Change in Control in which the Company's stockholders holding Shares receive consideration other than shares of common stock that are registered under Section 12 of the Exchange Act, the Committee shall have the authority to require that any outstanding Option be surrendered to the Company by a Participant for cancellation by the Company, with the Participant receiving in exchange a cash payment from the Company within ten (10) days of the Change in Control. Such cash payment shall be equal to the number of Shares under Option, multiplied by the excess, if any, of the fair market value of a Share on the date the Change in Control occurs, over the Option Price.

Article 7. Stock Issuances

7.1 Stock Issuance Awards. Subject to the terms and provisions of the Program, the Committee may issue Shares as fully vested shares ("Stock Issuances") in such number and upon such terms as shall be determined by the Committee.

7.2 Consideration. A Stock Issuance may be awarded in consideration for cash, past services rendered to the Company or an affiliate or for such other consideration as determined by the Committee.

Article 8. Restricted Stock

8.1 Grant of Restricted Stock. Subject to the terms and provisions of the Program, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Participants in such amounts as the Committee shall determine.

8.2 Restricted Stock Agreement. Each Restricted Stock grant shall be evidenced by a Restricted Stock Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock granted, and such other provisions as the Committee shall determine.

8.3 Restriction on Transferability. Except as provided in this Article 8, the Shares of Restricted Stock granted herein may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Restricted Stock Award Agreement. All rights with respect

to the Restricted Stock granted to a Participant under the Program shall be available during his or her lifetime only to such Participant.

8.4 Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Program as it may deem advisable including, without limitation, any or all of the following:

(a) A required period of service with the Company, as determined by the Committee, prior to the vesting of Shares of Restricted Stock.

(b) A requirement that Participants forfeit (or in the case of Shares sold to a Participant, resell to the Company at his or her cost) all or a part of Shares of Restricted Stock in the event of termination of his or her service as a Nonemployee Director during the Period of Restriction.

(c) A prohibition against such Participants' dissemination of any secret or confidential information belonging to the Company, or the solicitation by Participants of the Company's Employees for employment by another entity.

Shares of Restricted Stock awarded pursuant to the Program shall be registered in the name of the Participant and if such Shares are certificated, in the sole discretion of the Committee, such certificate may be deposited in a bank designated by the Committee or with the Company. The Committee may require a stock power endorsed in blank with respect to Shares of Restricted Stock whether or not certificated.

Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Program shall become freely transferable (subject to any restrictions under any applicable securities law) by the Participant after the last day of the applicable Period of Restriction.

8.5 Voting Rights. Unless the Committee determines otherwise, Participants holding Shares of Restricted Stock issued hereunder shall be entitled to exercise full voting rights with respect to those Shares during the Period of Restriction.

8.6 Dividends and Other Distributions. Unless the Committee determines otherwise, during the Period of Restriction, Participants holding Shares of Restricted Stock issued hereunder shall be entitled to regular cash dividends paid with respect to such Shares. The Committee may apply any restrictions to the dividends that the Committee deems appropriate.

8.7 Termination of Directorship. Each Restricted Stock Award Agreement shall set forth the extent to which the Participant shall have the right to vest in previously unvested Shares of Restricted Stock following termination of the Participant's service to the Company as a Nonemployee Director. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares of Restricted Stock issued pursuant to the Program, and may reflect distinctions based on the reasons for termination.

Article 9. Restricted Stock Units

9.1 Restricted Stock Units Awards. Subject to the terms and conditions of the Program, the Committee may, at any time and from time to time, issue Restricted Stock Units which entitle the Participant to receive the Shares underlying those units following the lapse of specified restrictions (whether based on the achievement of designated performance goals or the satisfaction of specified services or upon the expiration of a designated time period following the vesting of the units).

9.2 Restricted Stock Units Award Agreement. Each Restricted Stock Units award shall be evidenced by a Restricted Stock Units Award Agreement that shall specify the vesting restrictions, the number of Shares subject to the Restricted Stock Units award, and such other provisions as the Committee shall determine.

9.3 Restrictions. The Committee shall impose such other conditions and/or restrictions on the issuance of any Shares under the Restricted Stock Units granted pursuant to the Program as it may deem advisable including, without limitation, any or all of the following:

(a) A required period of service with the Company, as determined by the Committee, prior to the issuance of Shares under the Restricted Stock Units award.

(b) A requirement that the Restricted Stock Units award be forfeited in whole or in part in the event of termination of the Participant's services as a Nonemployee Director during the vesting period.

(c) A prohibition against such Participants' dissemination of any secret or confidential information belonging to the Company, or the solicitation by Participants of the Company's Employees for employment by another entity.

Except as otherwise provided in this Article 9, Shares subject to Restricted Stock Units under the Program shall be freely transferable (subject to any restrictions under applicable securities law) by the Participant after receipt of such shares.

9.4 Stockholder Rights. Participants holding Restricted Stock Units issued hereunder shall not have any rights with respect to Shares subject to the award until the award vests and the Shares are issued hereunder. However, dividend-equivalent units may be paid or credited, either in cash or in actual or phantom Shares, on outstanding Restricted Stock Units awards, subject to such terms and conditions as the Committee may deem appropriate.

9.5 Termination of Directorship. Each Restricted Stock Units Award Agreement shall set forth the extent to which the Participant shall have the right to vest in previously unvested Shares subject to the Restricted Stock Units award following termination of the Participant's service to the Company as a Nonemployee Director. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Restricted Stock Unit awards issued pursuant to the Program, and may reflect distinctions based on the reasons for termination.

Article 10. Stock Appreciation Rights

10.1 Stock Appreciation Rights Awards. Subject to the terms and conditions of the Program, the Committee may issue a Stock Appreciation Rights award which shall entitle the Participant to receive upon exercise a payment in cash or Shares underlying the exercised award equal to the excess (if any) of (a) the Fair Market Value of the Shares on the date of exercise over (b) the aggregate base price in effect for such Shares. A Stock Appreciation Right shall become exercisable during such times and subject to such conditions as shall be determined by the Committee, in its sole discretion.

10.2 Stock Appreciation Rights Agreement. Each Stock Appreciation Rights award shall be evidenced by a Stock Appreciation Rights Award Agreement that shall specify the vesting restriction, the number of Shares subject to the award and such additional terms and conditions as the Committee shall determine.

10.3 Base Price. The base price for each grant of a Stock Appreciation Right under this Program shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the award is granted.

10.4 Nontransferability of Stock Appreciation Rights. Except as otherwise provided in a Participant's Award Agreement, no Stock Appreciation Right granted under this Article 10 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all Stock Appreciation Rights granted to a

Participant under this Article 10 shall be exercisable during his or her lifetime only by such Participant.

Article 11. Automatic Awards to Nonemployee Directors

11.1 [Intentionally Omitted.]

11.2 Annual Awards.

(a) Unless otherwise determined by the Committee, each Nonemployee Director shall receive annually, effective as of the day following each annual meeting of the Company's stockholders an award as follows (the "Annual Award"):

(i) An Option for up to one hundred twenty thousand (120,000) Shares, or

(ii) A Restricted Stock Units award for up to forty eight thousand (48,000) Shares, or

(iii) A combination of an Option and Restricted Stock Units award, provided that in no event may the total value of the Option and Restricted Stock Units award subject to such combined award exceed eighty thousand dollars ($80,000). The Committee shall have the sole discretion to determine the amount and type of award for each year and to change the maximum grant date value set forth in the preceding sentence from year to year if it determines that a change is advisable; provided, however, that in the event of a combined Annual Award to a Nonemployee Director for a particular year in no event shall the total number of shares subject to the Option component of such award for the Nonemployee Director for that year exceed the limit in clause (i) above and in no event shall the total number of shares subject to the Restricted Stock Units component of such award for the Nonemployee Director for that year exceed the limit in clause (ii) above. For such purposes, the value of the Annual Award shall be calculated as follows: (A) the value of an Option shall be equal to the fair value of an option share as estimated on the date of grant under a valuation model approved by Financial Accounting Standards Board ("FASB") for purposes of the Company's financial statements under Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor provision); and (B) the value of a Restricted Stock Unit shall be equal to the Fair Market Value of the Share on the award date.

(b) Each Annual Award shall vest upon the first to occur of (i) the Participant's completion of one (1) year of Board service measured from the award date or (ii) the next annual meeting of the Company's stockholders that occurs after the calendar year in which the Annual Award is granted (or such longer period as determined by the Committee). Each Annual Award shall become fully vested in the event of the Participant's death or Disability.

(c) Notwithstanding any other provision of the Program to the contrary and unless both of the Company's nonemployee director stock ownership guidelines and holding requirements are met, each as set forth in the Corporate Governance Guidelines of the Company, the Shares acquired under an Annual Award (net of any Shares sold to cover the exercise price and applicable taxes due in connection with the exercise or settlement of the award) may not be sold, transferred or otherwise disposed of prior to the Participant's cessation of Board service.

(d) All additional terms of an Annual Award will be as set forth in Articles 6 and 9, as applicable, or as set forth in the specific Award Agreement governing such award.

11.3 Annual Retainer Election.

(a) Subject to the terms and provisions of the Program and any other restrictions set out by the Committee in its sole discretion, the Committee may permit each Nonemployee Director to elect to receive all or a portion of his or her Annual Retainer in the form of Options or Restricted Stock to be issued as of the first day on which such Annual Retainer is otherwise due and payable (the "Conversion Date") and using the Fair Market Value of a Share as of the Conversion Date as the Option Price of the Options.

(b) If conversion elections are permitted by the Committee, each irrevocable election shall be made in accordance with such rules as the Committee may determine in its sole discretion which shall be consistent with the requirements of Code Section 409A and the Treasury Regulations and rulings promulgated thereunder. Except as may otherwise be determined by the Committee, in the event of a Participant's election to receive an Option in lieu of his Annual Retainer, the number of shares subject to the Option shall be determined by dividing that portion of the Annual Retainer to be paid in the form of the Option by the Fair Market Value of a Share on the Conversion Date and multiplying the quotient by four (4). In the event of a Participant's election to receive Restricted Stock in lieu of an Annual Retainer, the number of Shares of such Restricted Stock shall be determined by dividing that portion of the Annual Retainer to be paid in the form of Shares of Restricted Stock by the Fair Market Value of a Share on the Conversion Date. In the event the preceding formula would result in a fractional Share being issued or subject to an Option, the number of Shares subject to the issuance or Option shall be rounded up to the nearest whole Share.

(c) Restricted Stock granted pursuant to this Section 11.3 shall vest upon the first to occur of (i) the Participant's completion of one (1) year of Board service measured from the grant date or (ii) the next annual meeting of the Company's stockholders at which Board members are to be elected. Each Annual Award shall become fully vested in the event of the Participant's death or Disability.

(d) Any portion of a Nonemployee Director's Annual Retainer for which an election has not been made pursuant to this Section 11.3, shall be paid in cash to such Nonemployee Director at such time or times as payments thereof are customarily made by the Company.

(e) All additional terms of an Award received as a result of the election described herein will be as set-forth in Sections 6 and 7, as applicable, or as set forth in the specific Award Agreement governing such Award.

Article 12. Beneficiary Designation

Each Participant under the Program may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Program is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

Article 13 Deferrals

The Committee may permit or require a Participant to defer such Participant's receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant by virtue of the exercise of an Option, or Stock Appreciation Right or the lapse or waiver of restrictions with respect to Restricted Stock or Restricted Stock Units. If any such deferral election is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals which shall be consistent with the requirements of Code Section 409A and the Treasury Regulations and rulings promulgated thereunder.

Article 14 Rights of Participants

14.1 Directorship. Nothing in the Program or any Award Agreement shall interfere with or limit in any way the right of the Company to terminate at any time any Participant's service to the Company as a Nonemployee Director, nor confer upon any Participant any right to continue in the service of the Company.

14.2 Participation. No Nonemployee Director shall have the right to be selected to receive an Award under this Program, or, having been so selected, to be selected to receive a future Award.

Article 15 Change in Control

Upon the occurrence of a Change in Control and notwithstanding the terms of any Award Agreement, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges:

(a) Any and all Options granted hereunder shall become immediately exercisable, and shall terminate upon the earlier of (i) the third anniversary of the Participant's date of termination of service or (ii) expiration of the Option term.

(b) Any restriction periods and restrictions imposed on Awards shall lapse.

Article 16. Amendment, Modification, and Termination

16.1 Amendment, Modification, and Termination. Subject to the terms of the Program including Section 16.2, the Board may at any time and from time to time, alter, amend, suspend or terminate the Program in whole or in part. However, stockholder approval shall be required for any amendment of the Program only to the extent required by applicable law.

16.2 Awards Previously Granted. Notwithstanding any provision of the Program or of any Award Agreement to the contrary (but subject to Section 6.10 hereof), no termination, amendment, or modification of the Program or amendment of an Award previously granted under the Program shall adversely affect in any material way any Award previously granted under the Program, without the express consent of the Participant holding such Award.

Article 17. Compliance with Applicable Law and Withholding

17.1 General. The granting of Awards and the issuance of Shares under the Program 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. Notwithstanding anything to the contrary in the Program or any Award Agreement, the following shall apply:

(a) The Company shall have no obligation to issue any Shares under the Program if such issuance would violate any applicable law or any applicable regulation or requirement of any securities exchange or similar entity.

(b) Prior to the issuance of any Shares under the Program, the Company may require a written statement that the recipient is acquiring the Shares for investment and not for the purpose or with the intention of distributing the Shares and that the recipient will not dispose of them in violation of the registration requirements of the Securities Act of 1933.

(c) With respect to any Participant who is subject to Section 16(a) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to

Award or payment under the Program or implement procedures for the administration of the Program which it deems necessary or desirable to comply with the requirements of Rule 16b-3 of the Exchange Act.

(d) If, at any time, the Company, determines that the listing, registration, or qualification (or any updating of any such document) of any Award, or the Shares issuable pursuant thereto, is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, any Award, the issuance of Shares pursuant to any Award, or the removal of any restrictions imposed on Shares subject to an Award, such Award shall not be granted and the Shares shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company or the Committee otherwise provides.

17.2 Securities Law Compliance. Transactions under this Program are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act.

17.3 Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required or permitted by law or regulation to be withheld with respect to any taxable event arising as a result of this Program.

17.4 Share Withholding. Awards payable in Shares may provide that with respect to withholding required upon any taxable event arising thereunder, Participants may elect to satisfy the withholding requirement (or the Committee may require that the tax withholding requirement be satisfied), in whole or in part, by having the Company withhold Shares to satisfy their withholding tax obligations. Unless otherwise provided by the Committee, all elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations, including prior Committee approval, that the Committee, in its sole discretion, deems appropriate.

Article 18. Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Program and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Article 19. Successors

All obligations of the Company under the Program with respect to Awards granted hereunder shall, to the extent legally permissible, 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.

Article 20 Legal Construction

20.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

20.2 Severability. In the event any provision of the Program shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Program, and the Program shall be construed and enforced as if the illegal or invalid provision had not been included.

20.3 Governing Law. To the extent not preempted by federal law, the Program, and all Award or other agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Delaware without giving effect to principles of conflicts of laws.

20.4 Non-Exclusivity of the Program; No Corporate Action Restriction. Nothing in this Program shall limit or be deemed to limit the authority of the Board or the Committee to grant awards or authorize any other compensation, with or without reference to the Shares, under any other plan or authority. The existence of this Program, the award agreements and the awards granted hereunder shall not limit, affect, or restrict in any way the right or power of the Company or any of its subsidiaries (or any of their respective shareholders, boards of directors or committees thereof (or any subcommittees), as the case may be) to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Company or any subsidiary, (b) any merger, amalgamation, consolidation or change in the ownership of the Company or any subsidiary, (c) any issue of bonds, debentures, capital, preferred or prior preference stock ahead of or affecting the capital stock (or the rights thereof) of the Company or any subsidiary, (d) any dissolution or liquidation of the Company or any subsidiary, (e) any sale or transfer of all or any part of the assets or business of the Company or any subsidiary, (f) any other award, grant, or payment of incentives or other compensation under any other plan or authority (or any other action with respect to any benefit, incentive or compensation), or (g) any other corporate act or proceeding by the Company or any subsidiary. No participant, beneficiary or any other person shall have any claim under any award or award agreement against any member of the Board or the Committee, or the Company or any employees, officers or agents of the Company or any subsidiary, as a result of any such action. Awards need not be structured so as to be deductible for tax purposes.

Exhibit 10.16

PARTICIPANT STOCK OPTION

Name:

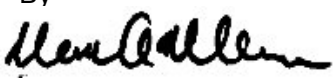
Date of Grant: **Date of Expiration:**	**Option Price** **Number of Shares Covered:**

Vesting Schedule

This certifies that on _____, Edwards Lifesciences Corporation granted to the Participant shown above a Nonqualified Stock Option to purchase shares of its common stock as indicated above upon the terms and conditions of the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program and the attached Nonqualified Stock Option Award Agreement (the "Award Agreement"). The Award Agreement imposes additional limitations on the Participant's rights under the Option and provides for early termination of the Option (before the Expiration Date set forth above) in the event of termination of the Participant's Directorship.

Edwards Lifesciences Corporation

By



Michael A. Mussallem
Chairman and Chief Executive Officer

Edwards Lifesciences Corporation
2020 Nonemployee Directors Stock Incentive Program—Nonqualified Stock Option Award Agreement

THIS AGREEMENT, in conjunction with the Participant Stock Option Statement attached to the front of this agreement (the "Statement") effective as of the Date of Grant set forth on the Statement, represents the grant of a nonqualified stock option (the "Option") by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named on the Statement, pursuant to the provisions of the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program (the "Program"). This agreement and the Statement shall be considered one agreement and are referred to herein as the "Agreement."

The Program provides additional terms and conditions governing the Option. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Grant of Stock Option. The Company hereby grants to the Participant an Option to purchase the number of Shares set forth on the Statement, at the stated Option Price set forth on the Statement, which is one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant, in the manner and subject to the terms and conditions of the Program and this Agreement.

The grant of this Option to the Participant shall not confer any right to such Participant (or any other Participant) to be granted any Option or other Awards in the future under the Program.

2. Exercise of Stock Option. Except as may otherwise be provided in Sections 3 and 4 below, the Participant may only exercise this Option according to the vesting schedule set forth on the Statement, provided that no exercise may occur subsequent to the close of business on the Date of Expiration (as set forth on the Statement).

The number of Shares for which this Option becomes vested and exercisable pursuant to this Section 2 shall be rounded up to the next whole number in the event that the use of the percentages set forth on the Statement results in the Option being exercisable with respect to a fractional Share. In addition, the Option may be exercised in whole or in part, but not for less than fifty (50) Shares at any one time, unless fewer than fifty (50) Shares then remain subject to the Option, and the Option is then being exercised as to all such remaining Shares.

3. Termination of Directorship:

(a) ***By Death or Disability***: All unvested Shares under this Option shall immediately vest and become exercisable as of the Participant's date of termination of service by reason of his or her death or Disability. Shares under this Option that vest and become exercisable in accordance with this Section 3(a) or that are already vested and exercisable as of the Participant's date of termination by reason of the Participant's death or Disability, may be purchased only until the earlier of: (i) the Date of Expiration of this Option; or (ii) the third (3rd) anniversary of the Participant's date of termination of service with the Company by reason of his or her death or Disability.

(b) ***For Other Reasons***: Unless determined otherwise by the Committee or its designee in their sole discretion, all unvested Shares under this Option shall immediately terminate and be forfeited to the Company as of the date of the Participant's termination of service with the Company for any reason other than the reasons set forth in Section 3(a) above. Shares under this Option that are vested and exercisable as of the date of a termination of the Participant's service with the Company for any reason other than those reasons set forth in Section 3(a) above may be purchased until the earlier of: (i) the Date of Expiration of this Option; or (ii) the third (3rd) anniversary of the Participant's date termination of service with the Company.

4. Change in Control. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control of the Company prior to the Participant's termination of service for any reason, all Shares under this Option shall immediately vest and become exercisable in full.

5. Restrictions on Transfer. This Option may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, this Option shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

6. Recapitalization. The Options subject to this Agreement are subject to adjustment pursuant to Section 5.4 of the Program.

7. Procedure for Exercise of Option. This Option may be exercised by delivery of written notice (or such other form of notice as the Company may specify) to the Company at its executive offices, addressed to the attention of its Secretary or the Company's designee. Such notice: (a) shall be signed by the Participant or his or her legal representative (or assented to in a form other than written signature if and to the extent that the Company specifies); (b) shall specify the number of full Shares then elected to be purchased with respect to the Option; (c) if a Registration Statement under the Securities Act of 1933 is not in effect with respect to the Shares to be purchased, shall contain a representation of the Participant that the Shares are being acquired by him or her for investment and with no present intention of selling or transferring them, and that he or she will not sell or otherwise transfer the Shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the Shares may then be listed; and (d) shall be accompanied by payment in full of the Option Price of the Shares to be purchased (or a satisfactory "cashless exercise" notice).

The Option Price upon exercise of this Option shall be payable to the Company in full either: (a) in cash or its equivalent (acceptable cash equivalents shall be determined at the sole discretion of the Committee); (b) by tendering previously acquired Shares (by either actual delivery or attestation) having an aggregate Fair Market Value at the time of exercise equal to the total Option Price; (c) by a "cashless exercise" to the extent permitted under Federal Reserve Board's Regulation T and other applicable law, and subject to such procedures and limitations as the Company may specify from time to time; (d) by any other means which the Committee determines to be consistent with the Program's purpose and applicable law; or (e) by a combination of two or more of (a) through (d).

As promptly as practicable after receipt of notice and payment upon exercise (or satisfactory "cashless exercise" notice) and subject to any Company "cashless exercise" procedures, the Company shall cause to be issued and delivered to the Participant in certificate form or otherwise, evidence of the Shares so purchased, which may, if appropriate, be endorsed with or otherwise include appropriate restrictive legends. The Company shall maintain a record of all information pertaining to the Participant's rights under this Agreement, including the number of Shares for which the Option is exercisable. If

the Option shall have been exercised in full, this Agreement shall be returned to the Company and canceled.

8. Beneficiary Designation. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

9. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company with respect to the Shares subject to this Agreement until such time as the purchase price has been paid, and the Shares have been issued and delivered to him or her.

10. Continuation of Service. This Agreement shall not confer upon the Participant any right to continue providing services to the Company or to be nominated to the Board, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's service at any time.

11. Miscellaneous.

(a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to the exercise of this Option, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

(b) The Committee may terminate, amend, or modify the Program and the Committee may amend or modify this Option at any time; provided, however, that except for the Company's right to cash out this Option under certain circumstances pursuant to Section 6.10 of the Program, no such termination, amendment, or modification of the Program or amendment of this Option may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

(c) The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy all federal, state, local and foreign taxes required by law or regulations to be withheld with respect to any exercise of the Participant's rights under this Agreement.

The Participant may elect, subject to any procedural rules adopted by the Committee, to satisfy the minimum withholding requirement, in whole or in part, by having the Company withhold Shares having an aggregate Fair

Market Value on the date the tax is to be determined, equal to or less than the minimum amount required to be withheld.

(d) The Participant agrees to take all steps necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Agreement.

(e) This Agreement 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.

(f) All obligations of the Company under the Program and this Agreement, with respect to this Option, shall, to the extent legally permissible, 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.

(g) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

Accepted and agreed:

Company: Director:
Edwards Lifesciences Corporation

By: _____ By: _____

Edwards Lifesciences Corporation
2020 Nonemployee Directors Stock Incentive Program
Restricted Stock Units Agreement

You have been selected to be a Participant in the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program (the "Program"), as specified below:

Participant:

Date of Grant:

Number of Restricted Stock Units Granted:

Vesting Date: The Restricted Stock Units shall vest on the date and in the amount listed below:

Vesting Date	Number of Units Which Vest

THIS AGREEMENT, effective as of the Date of Grant set forth above, represents the grant of Restricted Stock Units by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named above, pursuant to the provisions of the Program.

The Program provides additional terms and conditions governing the Restricted Stock Units. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Restricted Stock Units. The Participant is entitled to receive one Share for each Restricted Stock Unit, provided the Restricted Stock Units have not terminated.

2. Service to the Company. Except as may otherwise be provided in Sections 5 or 6, the Restricted Stock Units granted hereunder shall vest in full on the Vesting Date (as set forth above) provided the Participant remains a Nonemployee Director of the Company from the Date of Grant through (and including) such date.

This grant of Restricted Stock Units shall not confer any right to the Participant (or any other Participant) to be granted Restricted Stock Units or other Awards in the future under the Program.

3. Issuance of Shares. Except as may otherwise be provided herein and in the Program, the Shares issuable with respect to any Restricted Stock Units that have vested shall be issued as soon as administratively feasible following the vesting date applicable to such units. Any such issuance of Shares shall be subject to applicable Federal and state securities laws.

4. Shareholder Rights. The Participant shall not have any shareholder rights hereunder with respect to any Shares issuable until the Shares have been issued.

5. Termination of Directorship.

a) *By Death or Disability:* In the event the service of the Participant is terminated due to the Participant's death or Disability, then the Restricted Stock Units held by the Participant at the time of his or her death or Disability shall immediately become fully vested.

b) *Termination for Other Reasons:* In the event of the Participant's termination of service with the Company for any reason other than the Participant's death or Disability, all Restricted Stock Units held by the Participant at the time of service termination and still subject to vesting shall be forfeited by the Participant to the Company.

6. Change in Control. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control of the Company prior to the Participant's termination of service, the Restricted Stock Units shall immediately become fully vested.

7. Nontransferability. Restricted Stock Units granted pursuant to this Agreement may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, except as provided in the Program.

8. Restriction on Sale of Shares. Notwithstanding any other provision of the Program or this Agreement to the contrary, the Shares acquired upon vesting of the Restricted Stock Units (net of any Shares sold to cover applicable taxes due in connection with the settlement of the Restricted Stock Units) may not be sold, transferred or otherwise disposed of prior to the Participant's cessation of service as a Nonemployee Director of the Company.

9. Recapitalization. The Restricted Stock Units subject to this Agreement are subject to adjustment pursuant to Section 5.4 of the Program.

10. Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require the Participant or beneficiary to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation), domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement. The Participant may elect, subject to any procedural rules adopted by the Committee, to satisfy the minimum withholding tax requirement, in whole or in part, by having the Company withhold Shares having an aggregate Fair Market Value on the date the tax is to be determined, equal to or less than such minimum withholding tax.

11. Beneficiary Designation. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

12. Continuation of Service. This Agreement shall not confer upon the Participant any right to continue providing services to the Company or to be nominated to the Board, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's service at any time.

13. Miscellaneous.

a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to this Agreement, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make

all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

b) The Committee may terminate, amend or modify the Program or this Agreement; provided, however, that no such termination, amendment, or modification of the Program or this Agreement may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

c) The Participant agrees to take all steps necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Agreement.

d) This Agreement 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.

e) All obligations of the Company under the Program and this Agreement, with respect to the Restricted Stock Units, shall to the extent legally permissible, 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.

f) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

Accepted and agreed:

Company: Director:
Edwards Lifesciences Corporation

By: _____ By: _____

Exhibit 10.18

Edwards Lifesciences Corporation
2020 Nonemployee Directors Stock Incentive Program
Restricted Stock Agreement

You have been selected to be a Participant in the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program (the "Program"), as specified below:

Participant:

Date of Grant:

Number of Shares of Restricted Stock Granted:

Lapse of Restrictions Dates: Restrictions placed on the Shares of Restricted Stock shall lapse on the date and in the amount listed below:

Date on Which Restrictions Lapse	Number of Shares for Which Restrictions Lapse	Cumulative Number of Shares for Which Restrictions Lapse

THIS AGREEMENT, effective as of the Date of Grant set forth above, represents the grant of Shares of Restricted Stock by Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), to the Participant named above, pursuant to the provisions of the Program.

This program provides additional terms and conditions governing the Restricted Stock. If there is any inconsistency between the terms of this Agreement and the terms of the Program, the Program's terms shall completely supersede and replace the conflicting terms of this Agreement. All capitalized terms shall have the meanings ascribed to them in the Program, unless specifically set forth otherwise herein. The parties hereto agree as follows:

1. Service to the Company. Except as may otherwise be provided in Sections 5 or 6, the Restricted Stock granted hereunder is granted on the condition that the Participant remains a Nonemployee Director of the Company from the Date of Grant through (and including) each of the separate Lapse of Restrictions Dates, as set forth above (each such time period is referred to herein as a "Period of Restriction").

This grant of Restricted Stock shall not confer any right to the Participant (or any other Participant) to be granted Restricted Stock or other Awards in the future under the Program.

2. Certificate Legend. Shares of Restricted Stock granted hereunder shall be registered in the name of the Participant and the Company shall cause to be issued and delivered to the Participant, in certificate form or otherwise, evidence of the purchased Shares of Restricted Stock. If such Shares are certificated, in the sole discretion of the Committee, such certificate may be deposited in a bank or with the Company. Each certificate representing Shares of Restricted Stock granted pursuant to the Program shall bear the following legend:

> "The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law is subject to certain restrictions on transfer set forth in the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program, rules of administration adopted pursuant to such Program, and a Restricted Stock Agreement dated May 5, 2021. A copy of the Edwards Lifesciences Corporation 2020 Nonemployee Directors Stock Incentive Program, such rules, and such Restricted Stock Agreement may be obtained from the Secretary of Edwards Lifesciences Corporation."

3. Removal of Restrictions. Except as may otherwise be provided herein and in the Program, the Shares of Restricted Stock granted pursuant to this Agreement shall become freely transferable by the Participant on the day following the date and in the amount set forth under the Lapse of Restrictions Dates above (or such earlier date as the Shares of Restricted Stock granted pursuant to this Agreement become vested pursuant to Section 5(a) or 6 below), subject to applicable Federal and state

securities laws. Once Shares of Restricted Stock are no longer subject to any Period of Restriction, the Participant shall be entitled to have the legend required by Section 2 of this Agreement removed from the applicable stock certificates; provided, however, one or more other legends may continue to apply, such as a legend pertaining to transfer restrictions imposed pursuant to Rule 144 of the Securities Act of 1933, as amended.

4. Voting Rights and Dividends. During the Period of Restriction, the Participant may exercise full voting rights and shall accrue all dividends and other distributions paid with respect to the Shares of Restricted Stock while they are held. If any such dividends or distributions are paid in Shares, such Shares shall be subject to the same restrictions on transferability, and vesting and forfeiture conditions, as are the Shares of Restricted Stock with respect to which they were paid.

5. Termination of Directorship.

a) *By Death or Disability:* In the event the service of the Participant is terminated due to the Participant's death or Disability during the Periods of Restriction, the Periods of Restriction and the restrictions imposed on the Shares of Restricted Stock held by the Participant at the time of his or her death or Disability shall immediately lapse with all such Shares becoming immediately transferable by the Participant or his or her estate, subject to applicable Federal and state securities laws.

b) *Termination for Other Reasons:* In the event of the Participant's termination of service with the Company for any reason other than the Participant's death or Disability during the Periods of Restriction, all Shares of Restricted Stock held by the Participant at the time of service termination and still subject to a Period of Restriction and other restrictions shall be forfeited by the Participant to the Company.

6. Change in Control. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control of the Company during the Periods of Restriction and prior to the Participant's termination of service, the Periods of Restriction and restrictions imposed on the Shares shall immediately lapse with all such Shares of Restricted Stock vesting and becoming freely transferable by the Participant, subject to applicable Federal and state securities laws.

7. Nontransferability. During the Periods of Restriction, Shares of Restricted Stock granted pursuant to this Agreement may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (a "Transfer"), other than by will or by the laws of descent and distribution, except as provided in the Program. If any Transfer, whether voluntary or involuntary, of unvested Shares of Restricted Stock is made, or if any attachment, execution, garnishment, or lien shall be issued against or placed upon the Shares of Restricted Stock, the Participant's right to such Shares of Restricted Stock shall be immediately forfeited by the Participant to the Company, and this Agreement shall lapse.

8. Recapitalization. The Shares of Restricted Stock subject to this Agreement are subject to adjustment pursuant to Section 5.4 of the Program.

9. Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require the Participant or beneficiary to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation), domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement. The Participant may elect, subject to any procedural rules adopted by the Committee, to satisfy the minimum withholding tax requirement, in whole or in part, by having the Company withhold Shares having an aggregate Fair Market Value on the date the tax is to be determined, equal to such minimum withholding tax.

10. Beneficiary Designation. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

11. Continuation of Service. This Agreement shall not confer upon the Participant any right to continue providing services to the Company or to be nominated to the Board, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's service at any time.

12. Special Tax Election.

a) Section 83(b) Election. Under Code Section 83, the excess of the Fair Market Value of the Shares of Restricted Stock on the date any forfeiture restrictions applicable to such Shares lapse over the price paid for those shares, if any, will be reportable as ordinary income on the lapse date. Participant may elect under Code Section 83(b) to be taxed at the time the Shares of Restricted Stock are acquired, rather than on the Lapse of Restrictions Dates. If

Participant chooses to make an election under Code Section 83(b), such election must be filed with the Internal Revenue Service within thirty (30) days after the date of this Agreement.

b) Filing Responsibility**.** Participant acknowledges that, if Participant, chooses to file an election under Section 83(b), it is the Participant's sole responsibility, and not the Company's to file a timely election under Code Section 83(b), even if Participant requests the Company or its representatives to make this filing on his or her behalf.

13. Miscellaneous.

a) This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Program, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Program. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to this Agreement, as it may deem advisable for regulatory compliance, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Program and this Agreement, all of which shall be binding upon the Participant.

b) The Committee may terminate, amend or modify the Program or this Agreement; provided, however, that no such termination, amendment, or modification of the Program or this Agreement may in any material way adversely affect the Participant's rights under this Agreement, without the express consent of the Participant.

c) The Participant agrees to take all steps necessary to comply with all applicable provisions of federal, state and foreign securities law in exercising his or her rights under this Agreement.

d) This Agreement 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.

e) All obligations of the Company under the Program and this Agreement, with respect to the Restricted Stock, shall to the extent legally permissible, 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.

f) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

Accepted and agreed:

Company: Director:
Edwards Lifesciences Corporation

By: _____ By: _____

Exhibit 21.1

The following is a list of subsidiaries of Edwards Lifesciences Corporation, omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2021:

Legal Entity		State of Incorporation/ Formation		Country of Incorporation/ Formation
Edwards Lifesciences LLC		Delaware		U.S.
Edwards Lifesciences (U.S.) Inc.		Delaware		U.S.
Edwards Lifesciences (Japan) Limited				Japan
Edwards Lifesciences Holding B.V.				The Netherlands

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-33054, 333-33056, 333-40434, 333-52334, 333-52346, 333-60670, 333-98219, 333-105961, 333-127260, 333-150810, 333-154242, 333-168462, 333-183106, 333-192229, 333-195853, 333-204180, 333-211333, 333-217909, 333-255853, and 333-255854,) and Form S-3 (No. 333-232866) of Edwards Lifesciences Corporation of our report dated February 14, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Irvine, California
February 14, 2022

Exhibit 31.1

EDWARDS LIFESCIENCES CORPORATION
CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION

I, Michael A. Mussallem, certify that:

1. I have reviewed this annual report on Form 10-K of Edwards Lifesciences Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

By: /s/ MICHAEL A. MUSSALLEM
Michael A. Mussallem
Chairman of the Board and Chief Executive Officer

February 14, 2022

Exhibit 31.2

EDWARDS LIFESCIENCES CORPORATION
CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION

I, Scott B. Ullem, certify that:

1. I have reviewed this annual report on Form 10-K of Edwards Lifesciences Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

By: /s/ SCOTT B. ULLEM

Scott B. Ullem
Corporate Vice President,
Chief Financial Officer

February 14, 2022

Exhibit 32

EDWARDS LIFESCIENCES CORPORATION
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Edwards Lifesciences Corporation (the "Company") on Form 10-K for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Michael A. Mussallem, Chairman of the Board and Chief Executive Officer of the Company, and Scott B. Ullem, Corporate Vice President, Chief Financial Officer, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 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 results of operations of the Company.

/s/ MICHAEL A. MUSSALLEM

Michael A. Mussallem
Chairman of the Board and Chief Executive Officer

February 14, 2022

/s/ SCOTT B. ULLEM

Scott B. Ullem
Corporate Vice President,
Chief Financial Officer

February 14, 2022