

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name		2 Issuer's employer identification number (EIN)	
DONALDSON COMPANY, INC.		41-0222640	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
RICH SHEFFER	952-887-3753	richard.sheffer@donaldson.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
P.O. BOX 1299		MINNEAPOLIS, MN 55440	
8 Date of action		9 Classification and description	
MARCH 23, 2012		TWO FOR ONE STOCK SPLIT OF COMPANY'S COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
257651109		DCI	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On January 27, 2012, the Company's Board of Directors authorized a two-for-one stock split of the Company's stock in the form of 100 percent stock dividend. The stock dividend was distributed on March 23, 2012 to shareholders of record as of March 2, 2012.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The basis of each share following the stock distribution on March 23, 2012 was equal to 50% of the pre-distribution basis of that share, and the number of shares held by each shareholder has doubled. Thus the stock split did not change the total basis of each shareholder's investment in the stock, or change the proportionate interest that each shareholder maintains in the company.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **the stock split reduces each shareholder's basis in the underlying stock by one-half, or 50%. The supporting data consists of the basis of each share of stock held before the distribution and the number of shares issued in the distribution.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 305(a) and 307(a)

18 Can any resulting loss be recognized? ▶ No loss will be recognized as a result of the stock dividend.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2012  
For tax purposes, the holding period for the new shares is the same as for the original shares on which they were issued.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ *Dan King* Date ▶ 3/26/12  
Print your name ▶ DAN KING Title ▶ DIRECTOR OF TAX

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.