

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2020
OR

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

For the transition period from _____ to _____
Commission file number 001-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of
incorporation or organization)

22-0760120

(I.R.S. Employer
Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey 07417-1880
(Address of principal executive offices) (Zip Code)

(201) 847-6800

(Registrant's telephone number, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, par value \$1.00	BDX	New York Stock Exchange
Depository Shares, each representing a 1/20th interest in a share of 6.00% Mandatory Convertible Preferred Stock, Series B	BDXB	New York Stock Exchange
1.000% Notes due December 15, 2022	BDX22A	New York Stock Exchange
1.900% Notes due December 15, 2026	BDX26	New York Stock Exchange
1.401% Notes due May 24, 2023	BDX23A	New York Stock Exchange
3.020% Notes due May 24, 2025	BDX25	New York Stock Exchange
0.174% Notes due June 4, 2021	BDX/21	New York Stock Exchange
0.632% Notes due June 4, 2023	BDX/23A	New York Stock Exchange
1.208% Notes due June 4, 2026	BDX/26A	New York Stock Exchange

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 289,868,551 shares of Common Stock, \$1.00 par value, outstanding at June 30, 2020.

BECTON, DICKINSON AND COMPANY
FORM 10-Q
For the quarterly period ended June 30, 2020

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ITEM 1. FINANCIAL STATEMENTS
BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions of dollars

<u>Assets</u>	<u>June 30, 2020</u>	<u>September 30, 2019</u>
	<u>(Unaudited)</u>	
<u>Current Assets:</u>		
Cash and equivalents	\$ 2,882	\$ 536
Restricted cash	82	54
Short-term investments	22	30
Trade receivables, net	1,993	2,345
<u>Inventories:</u>		
Materials	627	544
Work in process	336	318
Finished products	1,983	1,717
	<u>2,945</u>	<u>2,579</u>
Prepaid expenses and other	903	1,119
Total Current Assets	8,827	6,664
Property, Plant and Equipment	11,660	11,128
Less allowances for depreciation and amortization	5,819	5,469
Property, Plant and Equipment, Net	5,841	5,659
Goodwill	23,549	23,376
Developed Technology, Net	10,356	11,054
Customer Relationships, Net	3,186	3,424
Other Intangibles, Net	567	500
Other Assets	1,632	1,088
Total Assets	\$ 53,959	\$ 51,765
<u>Liabilities and Shareholders' Equity</u>		
<u>Current Liabilities:</u>		
Short-term debt	\$ 1,630	\$ 1,309
Payables, accrued expenses and other current liabilities	4,437	4,345
Total Current Liabilities	6,067	5,655
Long-Term Debt	17,090	18,081
Long-Term Employee Benefit Obligations	1,297	1,272
Deferred Income Taxes and Other Liabilities	5,483	5,676
<u>Commitments and Contingencies (See Note 5)</u>		
<u>Shareholders' Equity</u>		
Preferred stock	2	2
Common stock	365	347
Capital in excess of par value	19,228	16,270
Retained earnings	12,916	12,913
Deferred compensation	23	23
Common stock in treasury - at cost	(6,145)	(6,190)
Accumulated other comprehensive loss	(2,367)	(2,283)
Total Shareholders' Equity	24,022	21,081
Total Liabilities and Shareholders' Equity	\$ 53,959	\$ 51,765

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Millions of dollars, except per share data
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ 3,855	\$ 4,350	\$ 12,333	\$ 12,706
Cost of products sold	2,195	2,276	6,962	6,684
Selling and administrative expense	980	1,076	3,126	3,238
Research and development expense	262	282	797	792
Acquisitions and other restructurings	74	90	235	281
Other operating (income) expense, net	(15)	—	(15)	61
Total Operating Costs and Expenses	3,497	3,725	11,104	11,056
Operating Income	358	626	1,229	1,649
Interest expense	(135)	(156)	(405)	(498)
Interest income	2	2	5	8
Other income (expense), net	23	(11)	12	19
Income Before Income Taxes	248	460	842	1,178
Income tax (benefit) provision	(38)	9	96	107
Net Income	286	451	746	1,071
Preferred stock dividends	(9)	(38)	(84)	(114)
Net income applicable to common shareholders	\$ 277	\$ 413	\$ 662	\$ 957
Basic Earnings per Share	\$ 0.98	\$ 1.53	\$ 2.41	\$ 3.55
Diluted Earnings per Share	\$ 0.97	\$ 1.51	\$ 2.38	\$ 3.49
Dividends per Common Share	\$ 0.79	\$ 0.77	\$ 2.37	\$ 2.31

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions of dollars
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Net Income	\$ 286	\$ 451	\$ 746	\$ 1,071
Other Comprehensive Income (Loss), Net of Tax				
Foreign currency translation adjustments	34	(68)	(66)	(27)
Defined benefit pension and postretirement plans	17	12	50	40
Cash flow hedges	2	(3)	(68)	(2)
Other Comprehensive Income (Loss), Net of Tax	53	(58)	(83)	12
Comprehensive Income	<u>\$ 338</u>	<u>\$ 393</u>	<u>\$ 663</u>	<u>\$ 1,082</u>

Amounts may not add due to rounding.

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions of dollars
(Unaudited)

	Nine Months Ended June 30,	
	2020	2019
Operating Activities		
Net income	\$ 746	\$ 1,071
Adjustments to net income to derive net cash provided by operating activities:		
Depreciation and amortization	1,601	1,700
Share-based compensation	193	208
Deferred income taxes	(203)	(172)
Change in operating assets and liabilities	(248)	(661)
Pension obligation	77	(150)
Gain on sale of business	—	(336)
Product liability-related charge	—	331
Other, net	(107)	(32)
Net Cash Provided by Operating Activities	2,058	1,959
Investing Activities		
Capital expenditures	(597)	(599)
Acquisitions of businesses, net of cash acquired	(139)	—
Proceeds from divestitures, net	—	477
Other, net	(169)	(178)
Net Cash Used for Investing Activities	(905)	(300)
Financing Activities		
Change in credit facility borrowings	(485)	300
Proceeds from long-term debt and term loans	3,389	2,224
Payments of debt and term loans	(3,711)	(3,882)
Proceeds from issuance of equity securities	2,917	—
Dividends paid	(773)	(737)
Other, net	(106)	(204)
Net Cash Provided by (Used for) Financing Activities	1,230	(2,300)
Effect of exchange rate changes on cash and equivalents and restricted cash	(9)	(1)
Net increase (decrease) in cash and equivalents and restricted cash	2,374	(642)
Opening Cash and Equivalents and Restricted Cash	590	1,236
Closing Cash and Equivalents and Restricted Cash	\$ 2,964	\$ 594

Amounts may not add due to rounding.

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2020

Note 1 – Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of the management of Becton, Dickinson and Company (the "Company" or "BD"), include all adjustments which are of a normal recurring nature, necessary for a fair presentation of the financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and accompanying notes required for a presentation in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's 2019 Annual Report on Form 10-K. Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

Note 2 – Accounting Changes

New Accounting Principles Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued a new lease accounting standard which requires lessees to recognize lease assets and lease liabilities on the balance sheet, as well as requires expanded disclosures regarding leasing arrangements. The Company adopted this standard on October 1, 2019 and elected certain practical expedients permitted under the transition guidance, including a transition method which allows application of the new standard at its adoption date, rather than at the earliest comparative period presented in the financial statements. The Company also elected not to perform any reassessments relative to its expired and existing leases upon its adoption of the new requirements. The Company's adoption of this standard did not materially impact its condensed consolidated financial statements. Additional disclosures regarding the Company's lease arrangements are provided in Note 15.

In August 2018, the FASB issued a new accounting standard to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The Company early adopted this standard as of April 1, 2020 on a prospective basis. The adoption of this standard did not materially impact the Company's condensed consolidated financial statements.

New Accounting Principle Not Yet Adopted

In June 2016, the FASB issued a new accounting standard which requires earlier recognition of credit losses on loans and other financial instruments held by entities, including trade receivables. The new standard requires entities to measure all expected credit losses for financial assets held at each reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Company is currently evaluating the impact that this new accounting standard will have on its consolidated financial statements upon its adoption on October 1, 2020.

Note 3 – Shareholders' Equity

Changes in certain components of shareholders' equity for the first three quarters of fiscal years 2020 and 2019 were as follows:

(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	
					Shares (in thousands)	Amount
Balance at September 30, 2019	\$ 347	\$ 16,270	\$ 12,913	\$ 23	(76,260)	\$ (6,190)
Net income	—	—	278	—	—	—
Common dividends (\$0.79 per share)	—	—	(215)	—	—	—
Preferred dividends	—	—	(38)	—	—	—
Common stock issued for share-based compensation and other plans, net	—	(32)	—	1	758	(38)
Share-based compensation	—	82	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	(12)	—
Balance at December 31, 2019	\$ 347	\$ 16,320	\$ 12,938	\$ 24	(75,514)	\$ (6,228)
Net income	—	—	183	—	—	—
Common dividends (\$0.79 per share)	—	—	(215)	—	—	—
Preferred dividends	—	—	(38)	—	—	—
Common stock issued for share-based compensation and other plans, net	—	(91)	—	(1)	573	70
Share-based compensation	—	58	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	30	—
Balance at March 31, 2020	\$ 347	\$ 16,288	\$ 12,868	\$ 23	(74,911)	\$ (6,158)
Net income	—	—	286	—	—	—
Common dividends (\$0.79 per share)	—	—	(229)	—	—	—
Preferred dividends	—	—	(9)	—	—	—
Common stock issued for:						
Preferred shares converted to common shares	12	(9)	—	—	—	—
Public equity offerings	6	2,909	—	—	—	—
Share-based compensation and other plans, net	—	(12)	—	—	127	13
Share-based compensation	—	52	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	13	—
Balance at June 30, 2020	\$ 365	\$ 19,228	\$ 12,916	\$ 23	(74,771)	\$ (6,145)

(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	
					Shares (in thousands)	Amount
Balance at September 30, 2018	\$ 347	\$ 16,179	\$ 12,596	\$ 22	(78,463)	\$ (6,243)
Net income	—	—	599	—	—	—
Common dividends (\$0.77 per share)	—	—	(207)	—	—	—
Preferred dividends	—	—	(38)	—	—	—
Common stock issued for share-based compensation and other plans, net	—	(97)	—	2	851	9
Share-based compensation	—	92	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	(12)	—
Effect of change in accounting principles	—	—	68	—	—	—
Balance at December 31, 2018	\$ 347	\$ 16,174	\$ 13,018	\$ 24	(77,624)	\$ (6,235)
Net income	—	—	20	—	—	—
Common dividends (\$0.77 per share)	—	—	(208)	—	—	—
Preferred dividends	—	—	(38)	—	—	—
Common stock issued for share-based compensation and other plans, net	—	(57)	(1)	(1)	618	42
Share-based compensation	—	60	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	50	—
Balance at March 31, 2019	\$ 347	\$ 16,177	\$ 12,792	\$ 23	(76,955)	\$ (6,192)
Net income	—	—	451	—	—	—
Common dividends (\$0.77 per share)	—	—	(208)	—	—	—
Preferred dividends	—	—	(38)	—	—	—
Common stock issued for share-based compensation and other plans, net	—	(6)	—	—	219	(8)
Share-based compensation	—	56	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	4	—
Balance at June 30, 2019	\$ 347	\$ 16,227	\$ 12,997	\$ 23	(76,733)	\$ (6,201)

(a) Common stock held in trusts represents rabbi trusts in connection with deferred compensation under the Company's employee salary and bonus deferral plan and directors' deferral plan.

Common and Preferred Stock Conversions and Offerings

In accordance with their terms, the Company's 2.475 million mandatory convertible preferred shares that were issued in May 2017 in connection with the Company's acquisition of C.R. Bard, Inc. ("Bard") were converted into 11.703 million shares of BD common stock on the mandatory conversion date of May 1, 2020.

Also, in May 2020, the Company completed registered public offerings of equity securities including:

- 6.250 million shares of the Company's common stock for net proceeds of \$1.459 billion (gross proceeds of \$1.500 billion).
- 1.500 million shares of the Company's mandatory convertible preferred stock (ownership is held in the form of depositary shares, each representing a 1/20th interest in a share of preferred stock) for net proceeds of \$1.459 billion (gross proceeds of \$1.500 billion). If and when declared, dividends on the mandatory convertible preferred stock will be payable on a cumulative basis at an annual rate of 6.00% on the liquidation preference of \$1,000 per preferred share (\$50 per depositary share). The shares of preferred stock are convertible to a minimum of 5.2 million and up to a maximum of 6.2 million shares of Company common stock at an exchange ratio, based on the market price of the Company's common stock at the date of conversion, and no later than the mandatory conversion date of June 1, 2023.

The Company will use the net proceeds from these offerings for general corporate purposes, which may include funding for the Company's growth strategy through organic investments and acquisitions, working capital, capital expenditures and repayment of outstanding indebtedness.

The components and changes of *Accumulated other comprehensive income (loss)* for the first three quarters of fiscal years 2020 and 2019 were as follows:

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges
Balance at September 30, 2019	\$ (2,283)	\$ (1,256)	\$ (1,005)	\$ (23)
Other comprehensive income before reclassifications, net of taxes	63	26	—	37
Amounts reclassified into income, net of taxes	19	—	17	2
Balance at December 31, 2019	\$ (2,202)	\$ (1,230)	\$ (988)	\$ 16
Other comprehensive loss before reclassifications, net of taxes	(237)	(125)	—	(111)
Amounts reclassified into income, net of taxes	19	—	17	2
Balance at March 31, 2020	\$ (2,419)	\$ (1,355)	\$ (971)	\$ (93)
Other comprehensive income before reclassifications, net of taxes	34	34	—	—
Amounts reclassified into income, net of taxes	19	—	17	2
Balance at June 30, 2020	\$ (2,367)	\$ (1,321)	\$ (955)	\$ (91)

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges
Balance at September 30, 2018	\$ (1,909)	\$ (1,162)	\$ (729)	\$ (17)
Other comprehensive (loss) income before reclassifications, net of taxes	(32)	(35)	3	(1)
Amounts reclassified into income, net of taxes	14	—	13	1
Balance at December 31, 2018	\$ (1,927)	\$ (1,197)	\$ (714)	\$ (16)
Other comprehensive income (loss) before reclassifications, net of taxes	74	76	—	(2)
Amounts reclassified into income, net of taxes	14	—	13	1
Balance at March 31, 2019	\$ (1,839)	\$ (1,121)	\$ (701)	\$ (17)
Other comprehensive loss before reclassifications, net of taxes	(68)	(68)	—	—
Amounts reclassified into income, net of taxes	10	—	12	(2)
Balance at June 30, 2019	\$ (1,897)	\$ (1,189)	\$ (689)	\$ (19)

The amounts of foreign currency translation recognized in other comprehensive income during the three and nine months ended June 30, 2020 and 2019 included net (losses) gains relating to net investment hedges. The amounts recognized in other comprehensive income relating to cash flow hedges during the nine months ended June 30, 2020 related to forward starting interest rate swaps. Additional disclosures regarding the Company's derivatives are provided in Note 12.

Note 4 – Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Average common shares outstanding	282,385	270,249	275,152	269,719
Dilutive share equivalents from share-based plans	2,763	4,087	3,411	4,791
Average common and common equivalent shares outstanding – assuming dilution	285,148	274,336	278,563	274,510
Share equivalents excluded from the diluted shares outstanding calculation because the result would have been antidilutive:				
Mandatory convertible preferred stock	6,328	11,685	9,918	11,685

Note 5 – Contingencies

Given the uncertain nature of litigation generally, the Company is not able, in all cases, to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which the Company is a party. In accordance with U.S. GAAP, the Company establishes accruals to the extent probable future losses are estimable (in the case of environmental matters, without considering possible third-party recoveries). With respect to putative class action lawsuits in the United States and certain of the Canadian lawsuits described below relating to product liability matters, the Company is unable to estimate a range of reasonably possible losses for the following reasons: (i) all or certain of the proceedings are in early stages; (ii) the Company has not received and reviewed complete information regarding all or certain of the plaintiffs and their medical conditions; and/or (iii) there are significant factual issues to be resolved. In addition, there is uncertainty as to the likelihood of a class being certified or the ultimate size of the class. With respect to the civil investigative demand served by the Department of Justice, as discussed below, the Company is unable to estimate a range of reasonably possible losses for the following reasons: (i) all or certain of the proceedings are in early stages; and/or (ii) there are significant factual and legal issues to be resolved.

In view of the uncertainties discussed below, the Company could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations and consolidated cash flows.

Product Liability Matters

The Company believes that certain settlements and judgments, as well as legal defense costs, relating to product liability matters are or may be covered in whole or in part under its product liability insurance policies with a limited number of insurance carriers, or, in some circumstances, indemnification obligations to the Company from other parties, which if disputed, the Company intends to vigorously contest. Amounts recovered under the Company's product liability insurance policies or indemnification arrangements may be less than the stated coverage limits or less than otherwise expected and may not be adequate to cover damages and/or costs relating to claims. In addition, there is no guarantee that insurers or other parties will pay claims or that coverage or indemnity will be otherwise available.

Hernia Product Claims

As of June 30, 2020, the Company is defending approximately 19,265 product liability claims involving the Company's line of hernia repair devices (collectively, the "Hernia Product Claims"). The majority of those claims are currently pending in a coordinated proceeding in Rhode Island State Court, but claims are also pending in other state and/or federal court jurisdictions. In addition, those claims include multiple putative class actions in Canada. Generally, the Hernia Product Claims seek damages for personal injury allegedly resulting from use of the products. From time to time, the Company engages in resolution discussions with plaintiffs' law firms regarding certain of the Hernia Product Claims, but the Company also intends to vigorously defend Hernia Product Claims that do not settle, including through litigation. The Company expects additional trials of Hernia Product Claims to take place over the next 12 months. In August 2018, a hernia multi-district litigation ("MDL") was ordered to be established in the Southern District of Ohio. Trials are scheduled throughout fiscal year 2021 in various state and/or federal courts, with the first trial currently scheduled for October 2020 in Rhode Island. A second trial is currently scheduled for January 2021 in the MDL. The Company cannot give any assurances that the resolution of the Hernia Product Claims that

have not settled, including asserted and unasserted claims and the putative class action lawsuits, will not have a material adverse effect on the Company's business, results of operations, financial condition and/or liquidity.

Women's Health Product Claims

As of June 30, 2020, the Company is defending approximately 575 product liability claims involving the Company's line of pelvic mesh devices. The majority of those claims are currently pending in various federal court jurisdictions, and a coordinated proceeding in New Jersey State Court, but claims are also pending in other state court jurisdictions. In addition, those claims include putative class actions filed in the United States. Not included in the figures above are approximately 990 filed and unfiled claims that have been asserted or threatened against the Company but lack sufficient information to determine whether a pelvic mesh device of the Company is actually at issue.

The claims identified above also include products manufactured by both the Company and two subsidiaries of Medtronic plc (as successor in interest to Covidien plc) ("Medtronic"), each a supplier of the Company. Medtronic has an obligation to defend and indemnify the Company with respect to any product defect liability relating to products its subsidiaries had manufactured. In July 2015, the Company reached an agreement with Medtronic in which Medtronic agreed to take responsibility for pursuing settlement of certain of the Women's Health Product Claims that relate to products distributed by the Company under supply agreements with Medtronic. In June 2017, the Company amended the agreement with Medtronic to transfer responsibility for settlement of additional Women's Health Product Claims to Medtronic on terms similar to the July 2015 agreement, including with respect to the obligation to make payments to Medtronic towards these potential settlements. As of June 30, 2020, the Company has paid Medtronic \$141 million towards these potential settlements. The Company also may, in its sole discretion, transfer responsibility for settlement of additional Women's Health Product Claims to Medtronic on similar terms. The agreements do not resolve the dispute between the Company and Medtronic with respect to Women's Health Product Claims that do not settle, if any. The foregoing lawsuits, unfiled claims, putative class actions, and other claims, together with claims that have settled or are the subject of agreements or agreements in principle to settle, are referred to collectively as the "Women's Health Product Claims." The Women's Health Product Claims generally seek damages for personal injury allegedly resulting from use of the products.

As of June 30, 2020, the Company has reached agreements or agreements in principle with various plaintiffs' law firms to settle their respective inventories of cases totaling approximately 15,225 of the Women's Health Product Claims. The Company believes that these Women's Health Product Claims are not the subject of Medtronic's indemnification obligation. These settlement agreements and agreements in principle include unfiled and previously unknown claims held by various plaintiffs' law firms, which are not included in the approximate number of lawsuits set forth in the first paragraph of this section. Each agreement is subject to certain conditions, including requirements for participation in the proposed settlements by a certain minimum number of plaintiffs. The Company continues to engage in discussions with other plaintiffs' law firms regarding potential resolution of unsettled Women's Health Product Claims, which may include additional inventory settlements.

Starting in 2014 in the MDL, the court entered certain pre-trial orders requiring trial work up and remand of a significant number of Women's Health Product Claims, including an order entered in the MDL on January 30, 2018, that requires the work up and remand of all remaining unsettled cases (the "WHP Pre-Trial Orders"). The WHP Pre-Trial Orders may result in material additional costs or trial verdicts in future periods in defending Women's Health Product Claims. Trials are anticipated throughout 2021 in state and federal courts. A trial in the New Jersey coordinated proceeding began in March 2018, and in April 2018 a jury entered a verdict against the Company in the total amount of \$68 million (\$33 million compensatory; \$35 million punitive). The Company is in the process of appealing that verdict. The Company expects additional trials of Women's Health Product Claims to take place over the next 12 months, which may potentially include consolidated trials.

During the course of engaging in settlement discussions with plaintiffs' law firms, the Company has learned, and may in future periods learn, additional information regarding these and other unfiled claims, or other lawsuits, which could materially impact the Company's estimate of the number of claims or lawsuits against the Company.

Filter Product Claims

As of June 30, 2020, the Company is defending approximately 2,165 product liability claims involving the Company's line of inferior vena cava filters (collectively, the "Filter Product Claims"). The majority of those claims were previously pending in an MDL in the United States District Court for the District of Arizona, but those MDL claims either have been, or are in the process of being, remanded to various federal jurisdictions. Filter Product Claims are also pending in various state court jurisdictions, including a coordinated proceeding in Arizona State Court. In addition, those claims include putative class actions filed in the United States and Canada. The Filter Product Claims generally seek damages for personal injury allegedly resulting from use of the products. The Company has limited information regarding the nature and quantity of certain of the Filter Product Claims. The Company continues to receive claims and lawsuits and may in future periods learn additional information regarding other unfiled or unknown claims, or other lawsuits, which could materially impact the Company's

estimate of the number of claims or lawsuits against the Company. On May 31, 2019, the MDL Court ceased accepting direct filings or transfers into the Filter Product Claims MDL and, as noted above, remands for non-settled cases have begun and are expected to continue over the next three months. Federal and state court trials are scheduled throughout 2020. As of June 30, 2020, the Company entered into settlement agreements and/or settlement agreements in principle for approximately 7,495 cases. On March 30, 2018, a jury in the first MDL trial found the Company liable for negligent failure to warn and entered a verdict in favor of plaintiffs. The jury found the Company was not liable for (a) strict liability design defect; (b) strict liability failure to warn; and (c) negligent design. The Company has appealed that verdict. On June 1, 2018, a jury in the second MDL trial unanimously found in favor of the Company on all claims. On August 17, 2018, the Court entered summary judgment in favor of the Company on all claims in the third MDL trial. On October 5, 2018, a jury in the fourth MDL trial unanimously found in favor of the Company on all claims. The Company expects additional trials of Filter Product Claims may take place over the next 12 months.

In most product liability litigations (like those described above), plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the Company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions and, consequently, is unable to fully evaluate the claims. The Company expects that it will receive and review additional information regarding any remaining unsettled product liability matters.

In connection with the settlement of a prior litigation with certain of the Company's insurance carriers, an agreement with the Company's insurance carriers was reached to reimburse the Company for certain future costs incurred in connection with Filter Product Claims up to an agreed amount. For certain product liability claims or lawsuits, the Company does not maintain or has limited remaining insurance coverage.

Other Legal Matters

Since early 2013, the Company has received subpoenas or Civil Investigative Demands from a number of State Attorneys General seeking information related to the sales and marketing of certain of the Company's products that are the subject of the Hernia Product Claims and the Women's Health Product Claims. The Company is cooperating with these requests. Although the Company has had, and continues to have, discussions with the State Attorneys General with respect to overall potential resolution of this matter, there can be no assurance that a resolution will be reached or what the terms of any such resolution may be.

In July 2017, a civil investigative demand was served by the Department of Justice seeking documents and information relating to an investigation into possible violations of the False Claims Act in connection with the sales and marketing of FloChec[®] and QuantaFlo[™] devices. The Company is cooperating with these requests. Since it is not feasible to predict the outcome of these matters, the Company cannot give any assurances that the resolution of these matters will not have a material adverse effect on the Company's business, results of operations, financial condition and/or liquidity.

The Company is a potentially responsible party to a number of federal administrative proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are underway or commencing. For several sites, there are other potentially responsible parties that may be jointly or severally liable to pay all or part of cleanup costs. While it is not feasible to predict the outcome of these proceedings, based upon the Company's experience, current information and applicable law, the Company does not expect these proceedings to have a material adverse effect on its financial condition and/or liquidity. However, one or more of the proceedings could be material to the Company's business and/or results of operations.

On February 27, 2020, a putative class action captioned *Kabak v. Becton, Dickinson and Company, et al.*, Civ. No. 2:20-cv-02155 (SRC) (CLW), was filed in the U.S. District Court for the District of New Jersey against the Company and certain of its officers. The complaint, which purports to be brought on behalf of all persons (other than defendants) who purchased or otherwise acquired the Company's common stock from November 5, 2019 through February 5, 2020, asserts claims for purported violations of Sections 10 and 20 of the Securities Exchange Act of 1934 and SEC Rule 10b-5 promulgated thereunder, and seeks, among other things, damages and costs. The complaint alleges that defendants concealed material information regarding Alaris[™] infusion pumps, including that (1) certain pumps exhibited software errors, (2) the Company was investing in remediation efforts as opposed to other enhancements and (3) the Company was thus reasonably likely to recall certain pumps and/or experience regulatory delays. These alleged omissions, the complaint asserts, rendered certain public statements about the Company's business, operations and prospects false or misleading, causing investors to purchase stock at an inflated price. The Company believes these claims are without merit and intends to vigorously defend this action.

The Company is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business. The Company believes that it has meritorious defenses to these suits pending against the Company and is engaged in a vigorous defense of each of these matters.

Litigation Accruals

The Company regularly monitors and evaluates the status of product liability and other legal matters, and may, from time-to-time, engage in settlement and mediation discussions taking into consideration developments in the matters and the risks and uncertainties surrounding litigation. These discussions could result in settlements of one or more of these claims at any time.

In the second and fourth quarters of fiscal year 2019, the Company recorded pre-tax charges to *Other operating (income) expense, net*, of approximately \$331 million and \$582 million, respectively, related to certain of the product liability matters discussed above under the heading "Product Liability Matters," including the related legal defense costs. The Company recorded these charges based on additional information obtained during the second and fourth quarters of fiscal year 2019.

Accruals for the Company's product liability claims which are discussed above, as well as the related legal defense costs, amounted to approximately \$2.2 billion at June 30, 2020 and \$2.5 billion at September 30, 2019. These accruals, which are generally long-term in nature, are largely recorded within *Deferred Income Taxes and Other Liabilities* on the Company's condensed consolidated balance sheets. As of June 30, 2020 and September 30, 2019, the Company had \$81 million and \$53 million, respectively, in qualified settlement funds ("QSFs"), subject to certain settlement conditions, for certain product liability matters. Payments to QSFs are recorded as a component of *Restricted cash*. The Company's expected recoveries related to product liability claims and related legal defense costs were approximately \$117 million and \$150 million at June 30, 2020 and September 30, 2019, respectively. A substantial amount of these expected recoveries at June 30, 2020 and September 30, 2019 related to the Company's agreements with Medtronic related to certain Women's Health Product Claims. The expected recoveries at June 30, 2020 related to the indemnification obligation are not in dispute with respect to claims that Medtronic settles pursuant to the agreements.

Note 6 – Revenues

The Company's policies for recognizing sales have not changed from those described in the Company's 2019 Annual Report on Form 10-K. The Company sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products which are distributed through independent distribution channels and directly by BD through sales representatives. End-users of the Company's products include healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.

Measurement of Revenues

The Company's estimate of probable credit losses relating to trade receivables is determined based on historical experience and other specific account data. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is uncollectable. Such amounts are not material to the Company's consolidated financial results.

The Company's gross revenues are subject to a variety of deductions which are recorded in the same period that the underlying revenues are recognized. Such variable consideration includes rebates, sales discounts and sales returns. The impact of variable consideration, including sales discounts and sales returns, is not material to the Company's revenues.

Effects of Revenue Arrangements on Consolidated Balance Sheets

Capitalized contract costs associated with the costs to fulfill contracts for certain products in the Medication Management Solutions organizational unit are immaterial to the Company's condensed consolidated balance sheets. Commissions relating to revenues recognized over a period longer than one year are recorded as assets which are amortized over the period over which the revenues underlying the commissions are recognized. Capitalized contract costs related to such commissions are immaterial to the Company's condensed consolidated balance sheets.

Contract liabilities for unearned revenue that is allocable to performance obligations, such as extended warranty and software maintenance contracts, which are performed over time are immaterial to the Company's consolidated financial results. The Company's liability for product warranties provided under its agreements with customers is not material to its condensed consolidated balance sheets.

Remaining Performance Obligations

The Company's obligations relative to service contracts and pending installations of equipment, primarily in the Company's Medication Management Solutions unit, represent unsatisfied performance obligations of the Company. The revenues under

existing contracts with original expected durations of more than one year, which are attributable to products and/or services that have not yet been installed or provided are estimated to be approximately \$1.6 billion at June 30, 2020. The Company expects to recognize the majority of this revenue over the next three years.

Within the Company's Medication Management Solutions, Medication Delivery Solutions, Integrated Diagnostic Solutions, and Biosciences units, some contracts also contain minimum purchase commitments of reagents or other consumables and the future sales of these consumables represent additional unsatisfied performance obligations of the Company. The revenue attributable to the unsatisfied minimum purchase commitment-related performance obligations, for contracts with original expected durations of more than one year, is estimated to be approximately \$2.6 billion at June 30, 2020. This revenue will be recognized over the customer relationship period.

Disaggregation of Revenues

A disaggregation of the Company's revenues by segment, organizational unit and geographic region is provided in Note 7.

Note 7 – Segment Data

The Company's organizational structure is based upon three principal business segments: BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional"). The Company's segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. Segment disclosures are on a performance basis consistent with internal management reporting. The Company evaluates performance of its business segments and allocates resources to them primarily based upon segment operating income, which represents revenues reduced by product costs and operating expenses.

Effective October 1, 2019, Life Sciences joined its former Preanalytical Systems and Diagnostic Systems organizational units to create a new Integrated Diagnostic Solutions organizational unit which focuses on driving growth and innovation around integrated specimen management to diagnostic solutions. The Integrated Diagnostic Solutions organizational unit consists of the following principal product lines:

Organizational Unit	Principal Product Lines
Integrated Diagnostic Solutions	Integrated systems for specimen collection; safety-engineered blood collection products and systems; automated blood culturing and tuberculosis culturing systems; molecular testing systems for infectious diseases and women's health; microorganism identification and drug susceptibility systems; liquid-based cytology systems for cervical cancer screening; rapid diagnostic assays for testing of respiratory infections; microbiology laboratory automation and plated media for clinical and industrial applications.

Revenues by segment, organizational unit and geographical areas for the three and nine-month periods are detailed below. The Company has no material intersegment revenues.

(Millions of dollars)	Three Months Ended June 30,					
	2020			2019		
	United States	International	Total	United States	International	Total
<u>Medical</u>						
Medication Delivery Solutions (a)	\$ 412	\$ 369	\$ 781	\$ 521	\$ 460	\$ 981
Medication Management Solutions (a)	500	177	677	532	129	661
Diabetes Care	136	123	260	139	136	275
Pharmaceutical Systems	113	291	403	108	286	394
Total segment revenues	\$ 1,161	\$ 960	\$ 2,122	\$ 1,299	\$ 1,011	\$ 2,311
<u>Life Sciences</u>						
Integrated Diagnostic Solutions						
Preanalytical Systems	\$ 160	\$ 152	\$ 312	\$ 203	\$ 204	\$ 407
Diagnostic Systems	184	218	402	155	212	368
Total Integrated Diagnostic Solutions	344	370	714	358	416	774
Biosciences	93	145	237	117	167	284
Total segment revenues	\$ 436	\$ 515	\$ 951	\$ 475	\$ 583	\$ 1,058
<u>Interventional</u>						
Surgery (b)	\$ 154	\$ 43	\$ 197	\$ 242	\$ 67	\$ 309
Peripheral Intervention (b)	174	143	318	228	169	396
Urology and Critical Care (b)	194	74	268	196	80	276
Total segment revenues	\$ 522	\$ 260	\$ 782	\$ 666	\$ 316	\$ 981
Total Company revenues	\$ 2,119	\$ 1,735	\$ 3,855	\$ 2,440	\$ 1,910	\$ 4,350

- (a) Prior-period amounts reflect the reclassification of U.S. revenues of \$3 million associated with the movement, effective on October 1, 2019, of certain products from the Medication Delivery Solutions unit to the Medication Management Solutions unit.
- (b) Prior-period amounts reflect the total reclassifications of \$33 million of U.S. revenues and \$13 million of international revenues associated with the movement, effective on October 1, 2019, of certain products from the Surgery unit and the Urology and Critical Care unit to the Peripheral Intervention unit.

(Millions of dollars)	Nine Months Ended June 30,					
	2020			2019		
	United States	International	Total	United States	International	Total
Medical						
Medication Delivery Solutions (a)	\$ 1,450	\$ 1,183	\$ 2,634	\$ 1,521	\$ 1,344	\$ 2,865
Medication Management Solutions (a)	1,412	408	1,820	1,538	365	1,903
Diabetes Care	417	389	806	421	397	819
Pharmaceutical Systems	287	815	1,102	269	771	1,040
Total segment revenues	\$ 3,566	\$ 2,797	\$ 6,362	\$ 3,750	\$ 2,877	\$ 6,626
Life Sciences						
Integrated Diagnostic Solutions						
Preanalytical Systems	\$ 569	\$ 541	\$ 1,110	\$ 574	\$ 591	\$ 1,165
Diagnostic Systems	574	663	1,238	510	628	1,138
Total Integrated Diagnostic Solutions	1,143	1,204	2,347	1,084	1,219	2,303
Biosciences	353	487	840	345	517	862
Total segment revenues	\$ 1,496	\$ 1,691	\$ 3,187	\$ 1,430	\$ 1,736	\$ 3,166
Interventional						
Surgery (b)	\$ 659	\$ 176	\$ 835	\$ 730	\$ 197	\$ 927
Peripheral Intervention (b)	641	471	1,112	675	490	1,165
Urology and Critical Care (b)	603	235	837	583	238	821
Total segment revenues	\$ 1,903	\$ 881	\$ 2,784	\$ 1,989	\$ 925	\$ 2,914
Total Company revenues	\$ 6,964	\$ 5,369	\$ 12,333	\$ 7,168	\$ 5,538	\$ 12,706

- (a) Prior-period amounts reflect the reclassification of U.S. revenues of \$7 million associated with the movement, effective on October 1, 2019, of certain products from the Medication Delivery Solutions unit to the Medication Management Solutions unit.
- (b) Prior-period amounts reflect the total reclassifications of \$96 million of U.S. revenues and \$41 million of international revenues associated with the movement, effective on October 1, 2019, of certain products from the Surgery unit and the Urology and Critical Care unit to the Peripheral Intervention unit.

Segment income for the three and nine-month periods was as follows:

(Millions of dollars)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	Income Before Income Taxes			
Medical (a) (b)	\$ 646	\$ 744	\$ 1,653	\$ 2,008
Life Sciences (c)	214	304	860	902
Interventional (d)	100	183	556	623
Total Segment Operating Income	960	1,230	3,069	3,533
Acquisitions and other restructurings	(74)	(90)	(235)	(281)
Net interest expense	(133)	(154)	(400)	(490)
Other unallocated items (e)	(506)	(526)	(1,593)	(1,584)
Total Income Before Income Taxes	\$ 248	\$ 460	\$ 842	\$ 1,178

- (a) The amounts for the three and nine months ended June 30, 2020 included the probable estimate, including changes in estimate, of future costs within the Medication Management Solutions unit associated with remediation efforts for Alaris™ infusion pumps of \$(18) million and \$240 million, respectively, which were recorded to *Cost of products sold*. Based on the course of remediation efforts, it is possible that the estimate of future costs could change over time.

Additionally, amounts for the three and nine months ended June 30, 2020 included costs related to another product matter of \$ million which were recorded in *Other income (expense), net*.

- (b) The amount for the nine-month period in 2019 included \$65 million of estimated remediation costs recorded to *Other operating (income) expense, net* relating to a recall of a product component, which generally pre-dated the Company's acquisition of CareFusion in fiscal year 2015, within the Medication Management Solutions unit's infusion systems platform.
- (c) The amount for the nine-month period in 2020 includes a charge of \$39 million recorded to *Cost of products sold* to write down the carrying value of certain intangible assets in the Biosciences unit.
- (d) The amounts for the three and nine-month periods in 2019 included a charge recorded to *Research and development expense* to write down the carrying value of certain intangible assets in the Surgery unit.
- (e) Primarily comprised of foreign exchange, certain general and administrative expenses and share-based compensation expense. The amount for the nine-month period in 2019 included a pre-tax charge of \$331 million related to certain product liability matters, which is further discussed in Note 5, and also included the pre-tax gain recognized on the Company's sale of its Advanced Bioprocessing business of approximately \$336 million, which is further discussed in Note 9.

Note 8 – Benefit Plans

The Company has defined benefit pension plans covering certain employees in the United States and certain international locations. The measurement date used for these plans is September 30.

Net pension cost included the following components for the three and nine months ended June 30:

(Millions of dollars)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Service cost	\$ 37	\$ 33	\$ 116	\$ 101
Interest cost	21	26	64	80
Expected return on plan assets	(46)	(44)	(143)	(135)
Amortization of prior service credit	(3)	(3)	(10)	(10)
Amortization of loss	24	19	74	58
Settlements	2	—	2	—
Net pension cost	\$ 35	\$ 30	\$ 103	\$ 93

The amounts provided above for amortization of prior service credit and amortization of loss represent the reclassifications of prior service credits and net actuarial losses that were recognized in *Accumulated other comprehensive income (loss)* in prior periods. All components of the Company's net periodic pension cost, aside from service cost, are recorded to *Other income (expense), net* on its condensed consolidated statements of income.

Note 9 – Divestiture

In October 2018, the Company completed the sale of its Life Sciences segment's Advanced Bioprocessing business. The Company recognized a pre-tax gain on the sale of approximately \$336 million which was recorded as a component of *Other operating (income) expense, net* in the nine months ended June 30, 2019.

Note 10 – Business Restructuring Charges

The Company incurred restructuring costs during the nine months ended June 30, 2020, in connection with the Company's acquisition of Bard and portfolio rationalization initiatives, which were largely recorded within *Acquisitions and other restructurings*. Restructuring liability activity for the nine months ended June 30, 2020 was as follows:

(Millions of dollars)	Employee Termination		Other		Total	
	Bard	Other Initiatives	Bard (a)	Other Initiatives	Bard	Other Initiatives
Balance at September 30, 2019	\$ 22	\$ 31	\$ 1	\$ 3	\$ 23	\$ 34
Charged to expense	7	(1)	33	30	40	29
Cash payments	(15)	(18)	(12)	(28)	(27)	(46)
Non-cash settlements	—	—	(21)	(2)	(21)	(2)
Balance at June 30, 2020	\$ 14	\$ 12	\$ 1	\$ 3	\$ 15	\$ 15

- (a) Largely represents the cost associated with certain pre-acquisition equity awards of Bard which, to encourage post-acquisition employee retention, were converted to BD equity awards with substantially the same terms and conditions as were applicable under such Bard awards immediately prior to the acquisition date.

Note 11 – Intangible Assets

Intangible assets consisted of:

(Millions of dollars)	June 30, 2020		September 30, 2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Developed technology	\$ 14,059	\$ 3,702	\$ 13,960	\$ 2,906
Customer relationships	4,612	1,427	4,608	1,183
Product rights	115	68	110	60
Trademarks	408	115	407	102
Patents and other	503	322	445	305
Amortized intangible assets	\$ 19,697	\$ 5,634	\$ 19,530	\$ 4,555
Unamortized intangible assets				
Acquired in-process research and development (a)	\$ 44		\$ 1	
Trademarks	2		2	
Unamortized intangible assets	\$ 46		\$ 3	

- (a) The increase in the carrying value of assets in 2020 was attributable to an immaterial acquisition which occurred during the second quarter of fiscal year 2020.

Intangible amortization expense for the three months ended June 30, 2020 and 2019 was \$345 million and \$378 million, respectively. Intangible amortization expense for the nine months ended June 30, 2020 and 2019 was \$1.037 billion and \$1.132 billion, respectively.

The following is a reconciliation of goodwill by business segment:

(Millions of dollars)	Medical	Life Sciences	Interventional	Total
Goodwill as of September 30, 2019	\$ 9,989	\$ 772	\$ 12,615	\$ 23,376
Acquisitions (a)	10	58	49	117
Purchase price allocation adjustments	—	1	—	1
Currency translation	19	3	33	55
Goodwill as of June 30, 2020	\$ 10,019	\$ 834	\$ 12,697	\$ 23,549

- (a) Represents goodwill recognized relative to certain acquisitions which were not material individually or in the aggregate.

Note 12 – Derivative Instruments and Hedging Activities

The Company uses derivative instruments to mitigate certain exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes. The effects these derivative instruments and hedged items have on financial position, financial performance, and cash flows are provided below.

Foreign Currency Risks and Related Strategies

The Company has foreign currency exposures throughout Europe, Greater Asia, Canada and Latin America. Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated primarily through the use of forward contracts. In order to mitigate foreign currency exposure relating to its investments in certain foreign subsidiaries, the Company has hedged the currency risk associated with those investments with instruments, such as foreign currency-denominated debt, cross-currency swaps and currency exchange contracts, which are designated as net investment hedges.

Hedges of the transactional foreign exchange exposures resulting primarily from intercompany payables and receivables are undesignated hedges. As such, the gains or losses on these instruments are recognized immediately in income. These gains and losses are largely offset by gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments. The net amounts recognized in *Other income (expense), net*, during the three and nine months ended June 30, 2020 and 2019 were immaterial to the Company's consolidated financial results. The total notional amounts of the Company's outstanding foreign exchange contracts as of June 30, 2020 and September 30, 2019 were \$1.2 billion and \$2.3 billion, respectively.

Certain of the Company's foreign currency-denominated long-term notes outstanding, which had a total carrying value of \$.5 billion and \$1.4 billion as of June 30, 2020 and September 30, 2019, respectively, were designated as, and were effective as, economic hedges of net investments in certain of the Company's foreign subsidiaries. The Company has entered into cross-currency swaps, all of which are designated and effective as economic hedges of net investments in certain of the Company's foreign subsidiaries. The notional amounts of the cross-currency swaps were \$3.0 billion and \$2.3 billion as of June 30, 2020 and September 30, 2019, respectively.

Net gains or losses relating to the net investment hedges, which are attributable to changes in the foreign currencies to U.S. dollar spot exchange rates, are recorded as accumulated foreign currency translation in *Other comprehensive income (loss)*. Upon the termination of a net investment hedge, any net gain or loss included in *Accumulated other comprehensive income (loss)* relative to the investment hedge remains until the foreign subsidiary investment is disposed of or is substantially liquidated.

Net (losses) gains recorded to *Accumulated other comprehensive income (loss)* relating to the Company's net investment hedges for the three and nine-month periods were as follows:

(Millions of dollars)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
Foreign currency-denominated debt	\$ (56)	\$ 39	\$ (46)	\$ 81
Cross-currency swaps	\$ (122)	\$ (14)	\$ 19	\$ (14)
Foreign currency forward contract (a)	\$ —	\$ (9)	\$ —	\$ (9)

(a) Represented a loss recognized on a forward contract which was entered into and terminated in the third quarter of fiscal 2019.

Interest Rate Risks and Related Strategies

The Company's policy is to manage interest rate exposure using a mix of fixed and variable rate debt. The Company periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Company exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either fair value or cash flow hedges.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates.

The total notional amount of the Company's outstanding interest rate swaps designated as fair value hedges was \$375 million at June 30, 2020 and September 30, 2019. The outstanding swaps represent fixed-to-floating interest rate swap agreements the

Company entered into to convert the interest payments on certain long-term notes from the fixed rate to a floating interest rate based on LIBOR. Changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt. The amounts recorded during the three and nine months ended June 30, 2020 and 2019 for changes in the fair value of these hedges were immaterial to the Company's consolidated financial results.

Changes in the fair value of the interest rate swaps designated as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are recorded in *Other comprehensive income (loss)*. If interest rate derivatives designated as cash flow hedges are terminated, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is reclassified into earnings over the remaining life of the hedged debt. The net realized loss related to terminated interest rate swaps expected to be reclassified and recorded in *Interest expense* within the next 12 months is \$6 million, net of tax.

The total notional amount of the Company's outstanding forward starting interest rate swaps was \$1.5 billion at June 30, 2020 and September 30, 2019. The Company entered into these contracts in the fourth quarter of fiscal year 2019 to mitigate its exposure to interest rate risk. The amount recorded in *Other comprehensive income (loss)* relating to these interest rate hedges during the three months ended June 30, 2020 was immaterial. The Company recorded an after-tax loss of \$74 million in *Other comprehensive income (loss)* relating to these interest rate hedges during the nine months ended June 30, 2020.

Other Risk Exposures

The Company purchases resins, which are oil-based components used in the manufacture of certain products. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results. From time to time, the Company has managed price risks associated with these commodity purchases through commodity derivative forward contracts. The Company had no outstanding commodity derivative forward contracts at June 30, 2020 and the amount outstanding as of September 30, 2019 was immaterial to the Company's consolidated financial results.

Financial Statement Effects

The fair values of derivative instruments outstanding at June 30, 2020 and September 30, 2019 were not material to the Company's consolidated balance sheets.

The amounts reclassified from accumulated other comprehensive income relating to cash flow hedges during the three and nine months ended June 30, 2020 and 2019 were not material to the Company's consolidated financial results.

Note 13 – Financial Instruments and Fair Value Measurements

The following reconciles cash and equivalents and restricted cash reported within the Company's consolidated balance sheets at June 30, 2020 and September 30, 2019 to the total of these amounts shown on the Company's consolidated statements of cash flows:

(Millions of dollars)	June 30, 2020	September 30, 2019
Cash and equivalents	\$ 2,882	\$ 536
Restricted cash	82	54
Cash and equivalents and restricted cash	<u>\$ 2,964</u>	<u>\$ 590</u>

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchase. Restricted cash consists of cash restricted from withdrawal and usage except for certain product liability matters.

The Company's cash and equivalents include institutional money market accounts which permit daily redemption and the fair values of these investments are based upon the quoted prices in active markets provided by the holding financial institutions, which are considered Level 1 inputs in the fair value hierarchy. The fair values of these accounts were \$1.715 billion and \$39 million at June 30, 2020 and September 30, 2019, respectively. The Company's remaining cash and equivalents, excluding restricted cash, were \$1.167 billion and \$497 million at June 30, 2020 and September 30, 2019, respectively.

Short-term investments are held to their maturities and are carried at cost, which approximates fair value. The short-term investments consist of instruments with maturities greater than three months and less than one year.

Long-term debt is recorded at amortized cost. The fair value of long-term debt is measured based upon quoted prices in active markets for similar instruments, which are considered Level 2 inputs in the fair value hierarchy. The fair value of long-term debt was \$18.7 billion and \$19.2 billion at June 30, 2020 and September 30, 2019, respectively. The fair value of the current portion of long-term debt was \$1.6 billion and \$1.3 billion at June 30, 2020 and September 30, 2019, respectively.

All other instruments measured by the Company at fair value, including derivatives and contingent consideration liabilities, are immaterial to the Company's consolidated balance sheets.

Nonrecurring Fair Value Measurements

In the second quarter of fiscal year 2020, the Company recorded a charge to *Cost of products sold* of \$39 million to write down the carrying value of certain intangible assets in the Biosciences unit. In the third quarter of fiscal year 2019, the Company recorded a charge to *Research and development expense* of \$30 million to write down the carrying value of certain intangible assets in the Surgery unit. These charges were recorded to adjust the carrying amounts of the assets to their fair values, which were estimated, based upon a market participant's perspective, using Level 3 inputs, including values estimated using the income approach.

Transfers of trade receivables

Over the normal course of its business activities, the Company transfers certain trade receivable assets to third parties under factoring agreements. Per the terms of these agreements, the Company surrenders control over its trade receivables upon transfer. Accordingly, the Company accounts for the transfers as sales of trade receivables by recognizing an increase to *Cash and equivalents* and a decrease to *Trade receivables, net* when proceeds from the transactions are received. The Company's balance of *Trade receivables, net* at June 30, 2020 excludes trade receivables of \$17 million that have been transferred to third parties under factoring arrangements. The costs incurred by the Company in connection with factoring activities were not material to its consolidated financial results. The Company's transfers of trade receivables during the nine months ended June 30, 2019 were not material to its consolidated financial results.

Note 14 – Debt

In March 2020, the Company entered into a 364-day senior unsecured term loan facility with borrowing capacity available of \$2.0 billion. During the third quarter of fiscal year 2020, the Company repaid \$1.9 billion of borrowings outstanding under this term loan with cash on hand and terminated the facility.

In April 2020, the Company entered into a supplement to its existing \$2.25 billion senior unsecured revolving credit facility which increased the revolving commitments available to the Company under revolving credit facility by \$381 million. As such, the Company's senior unsecured revolving credit facility currently provides borrowings of up to \$2.63 billion. Proceeds from this facility are used to fund general corporate needs. There were no borrowings outstanding under the revolving credit facility at June 30, 2020.

In May 2020, the Company issued \$750 million of 2.823% notes due May 20, 2030 and \$750 million of 3.794% notes due May 20, 2050. The Company used the net proceeds from this long-term debt offering, together with cash on hand, to repay the entire \$1.000 billion aggregate principal outstanding on the 2.404% notes due June 5, 2020, and to redeem \$500 million of the aggregate principal outstanding on the 3.250% notes due November 12, 2020, as well as accrued interest, related premiums, fees and expenses related to these repaid amounts. The Company repurchased this long-term debt at an aggregate market price of \$506 million. The carrying value of these long-term notes was \$500 million, and the Company recognized a loss on this debt extinguishment of \$6 million, which was recorded in June 2020 as *Other income (expense), net*, on the Company's condensed consolidated statements of income.

Note 15 – Leases

The Company leases real estate, vehicles and other equipment which are used in the Company's manufacturing, administrative and research and development activities. The Company identifies a contract that contains a lease as one which conveys a right, either explicitly or implicitly, to control the use of an identified asset in exchange for consideration. The Company's lease arrangements are generally classified as operating leases. These arrangements have remaining terms ranging from less than one year to approximately 25 years and the weighted-average remaining lease term of the Company's leases is approximately 7.4 years. An option to renew or terminate the current term of a lease arrangement is included in the lease term if the Company is reasonably certain to exercise that option.

The Company does not recognize a right-of-use asset and lease liability for short-term leases, which have terms of 12 months or less, on its consolidated balance sheet. For the longer-term lease arrangements that are recognized on the Company's consolidated balance sheet, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to its consolidated financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company applies an incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due under an arrangement. The weighted-average incremental borrowing rate that has been applied to measure the Company's lease liabilities is 2.3%.

The Company's lease costs recorded in its consolidated statements of income for the three and nine months ended June 30, 2020 were \$1 million and \$98 million, respectively. Cash payments arising from the Company's lease arrangements are reflected on its condensed consolidated statement of cash flows as outflows used for operating activities. The right-of-use assets and lease liabilities recognized on the Company's condensed consolidated balance sheet as of June 30, 2020 were as follows:

(Millions of dollars)	June 30, 2020
Right-of-use assets recorded in <i>Other Assets</i>	\$ 419
Current lease liabilities recorded in <i>Payables, accrued expenses and other current liabilities</i>	\$ 104
Non-current lease liabilities recorded in <i>Deferred Income Taxes and Other Liabilities</i>	\$ 339

The Company's payments due under its operating leases are as follows:

(Millions of dollars)	
Remaining for 2020	\$ 30
2021	108
2022	89
2023	58
2024	37
Thereafter	168
Total payments due	490
Less: imputed interest	47
Total	\$ 443

The Company's future minimum rental commitments on non-cancelable leases at September 30, 2019, as disclosed in the Company's 2019 Annual Report on Form 10-K, were as follows:

(Millions of dollars)	
2020	\$ 122
2021	103
2022	83
2023	57
2024	56
Thereafter	123
Total	\$ 546

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following commentary should be read in conjunction with the condensed consolidated financial statements and accompanying notes presented in this report. Within the tables presented throughout this discussion, certain columns may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts.

Company Overview

Becton, Dickinson and Company ("BD") is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. The Company's organizational structure is based upon three principal business segments, BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional").

BD's products are manufactured and sold worldwide. Our products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. We organize our operations outside the United States as follows: Europe; EMA (which includes the Commonwealth of Independent States, the Middle East and Africa); Greater Asia (which includes countries in East Asia, South Asia, Southeast Asia and the Oceania region); Latin America (which includes Mexico, Central America, the Caribbean, and South America); and Canada. We continue to pursue growth opportunities in emerging markets, which include the following geographic regions: Eastern Europe, the Middle East, Africa, Latin America and certain countries within Greater Asia. We are primarily focused on certain countries whose healthcare systems are expanding.

Recent Developments

A novel strain of coronavirus disease ("COVID-19") was officially declared a pandemic by the World Health Organization ("WHO") in March 2020. In efforts to slow and control the spread of COVID-19, governments around the world issued stay at home orders, travel restrictions as well as recommendations or mandates to avoid large gatherings or to self-quarantine. Many governments also instituted restrictions on certain businesses and their activities, particularly those that were deemed non-essential. These various measures led to a sudden and significant decline in economic activity within a number of countries worldwide. While the United States and other countries have begun to reopen their economies, the negative economic impacts of the pandemic, including decreased healthcare consumption, continue to persist. As further discussed below, the COVID-19 pandemic has resulted in declines of the following: non-COVID-19 procedures which require general medical devices; elective procedures; instrument placements; routine diagnostic testing and specimen collections; and research activity. These factors have unfavorably impacted our results of operations in fiscal year 2020, including for the three months ended June 30, 2020. While certain of our organizational units realized positive benefits to revenues from the pandemic, total consolidated revenues for the three and nine months ended June 30, 2020 were unfavorably impacted by an estimated \$600 million and \$656 million, respectively.

We have been deploying our capabilities, expertise and scale to address critical health needs related to COVID-19.

- We were granted an Emergency Use Authorization by the U.S. Food and Drug Administration ("FDA") for the launch of a COVID-19 antigen detection test that can provide results in 15 minutes using a simple nasal swab and our portable BD Veritor™ Plus System.
- In addition to this immunoassay test, BD's portfolio of molecular solutions for COVID-19 testing includes three other tests that have been registered for use with our BD Max™ molecular system.
- We are leveraging our category leading position as a manufacturer of needles and syringes as we enter into partnerships with governments around the world to help prepare for a future COVID-19 vaccination campaign.

We have been adhering to guidance provided by the WHO, as well as by health officials in various countries affected by the COVID-19 pandemic, to protect the health and safety of BD employees while ensuring continued availability of BD's critical medical devices and technologies at this unprecedented time. We have enacted business continuity plans in order to minimize the risk of disruption to our operations and supply chain, and to date, we have not experienced any significant disruption. We have worked closely with governmental officials in an effort to keep our manufacturing facilities (and those of our suppliers) open due to the essential nature of our products.

We continue to generate operating cash flows that are sufficient to meet our short-term liquidity needs. We have also further secured our financial flexibility by increasing the commitments available under our revolving credit facility by \$381 million and issuing \$3.0 billion of equity securities. Our fiscal year 2020 debt and equity transactions are further discussed in Notes 3 and 14 in the Notes to Condensed Consolidated Financial Statements. We believe that given our debt ratings and our capital

allocation strategy, we would have access to additional short-term and long-term capital should the need arise. We have not observed any impairments of our assets due to the COVID-19 pandemic and the decline in global economic activity.

We have enacted certain cost containment measures to mitigate the unfavorable impact of the COVID-19 pandemic to our future results of operations. Such actions have included travel restrictions, temporary reductions in executive compensation, a temporary suspension of matching contributions to certain voluntary defined contribution and other benefit plans, as well as temporary work reductions for certain manufacturing teams.

Our business has experienced weakened demand for our products as a result of a significant decline in medical procedures due to government restrictions and a shift in healthcare priorities. There has been a decline in procedure volumes across acute and non-acute settings which has led to a decline in demand for general medical devices. We have also seen a deferral in elective procedures such as hernia repairs and delays in instrument placements relating to our medication management solutions, including Pyxis™. There has also been a decrease in routine diagnostic testing and specimen collections, which is being partially offset by higher demand for COVID-19 testing. Additionally, there has been a decrease in research activity due to laboratory closures and reduced clinical testing.

We noted sequential monthly improvement from May to June 2020 in the demand for certain products, including those products that are driven by the volume of elective procedures. However, due to the continued, significant uncertainty that exists relative to the duration and overall impact of the COVID-19 pandemic, our future operating performance, particularly in the short-term, will be subject to volatility. The ultimate impact of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows is dependent on future developments, which are uncertain at this time, including:

- The preparedness and effectiveness of countries around the world in preventing or responding to the ongoing spread of COVID-19, or in countries where the spread has been controlled, any resurgence of the virus;
- The degree to which COVID-19 testing solutions continue to be made available and are utilized by governments, healthcare providers and institutions, retail pharmacies and the general public;
- The pace at which hospitals and clinical laboratories fully resume patient care that is not related to the COVID-19 pandemic;
- The timing of when research performed by research laboratories and institutions will resume to normal operations; and
- The timing and strength of any global economic recovery and the degree of pressure that the weaker macroeconomic environment will put on future healthcare utilization and the global demand for our products.

Further discussion regarding the impacts of the COVID-19 pandemic on our results for the three months ended June 30, 2020 is provided below.

Overview of Financial Results and Financial Condition

For the three months ended June 30, 2020, worldwide revenues of \$3.855 billion decreased 11.4% from the prior-year period which reflected a decline in volume of approximately 9.3%, an unfavorable impact from foreign currency translation of approximately 2.0% and an unfavorable impact from pricing of approximately 0.1%. We estimate that the COVID-19 pandemic reduced volume growth in the third quarter by approximately 14.1%. Volume in the third quarter of fiscal year 2020 reflected the following:

- Medical segment revenues in the third quarter reflected declines in the Medication Delivery Solutions and Diabetes Care units that were partially offset by growth in the Medication Management Solutions and Pharmaceutical Systems units.
- Life Sciences segment revenues in the third quarter were unfavorably impacted by the COVID-19 pandemic. The pandemic's unfavorable impact on the Integrated Diagnostic Solutions unit's third quarter revenues was partially offset by the unit's sales related to COVID-19 diagnostic testing.
- Interventional segment revenues in the third quarter were negatively impacted by decreased demand associated with the deferral of elective medical procedures as a result of the COVID-19 pandemic.

The Medication Management Solutions unit continues to delay U.S. shipments of Alaris™ infusion pumps pending compliance with certain 510(k) filing requirements of the FDA, as previously reported. We have been able to ship Alaris™ infusion pumps in the United States that are ordered with medical necessity certification. We continue to make progress on our regulatory filing related to the Alaris™ infusion pumps and we currently expect the filing to be made with the FDA either at the end of the second quarter or early in the third quarter of BD's fiscal year 2021.

We continue to invest in research and development, geographic expansion, and new product development programs to drive further revenue and profit growth. Our ability to sustain our long-term growth will depend on a number of factors, including our

ability to expand our core business (including geographical expansion), develop innovative new products, and continue to improve operating efficiency and organizational effectiveness. While the economic environments for the healthcare industry and healthcare utilization in the United States and Europe have been generally stable, destabilization resulting from the COVID-19 pandemic or other factors has adversely impacted our businesses. Our businesses will continue to be impacted by the COVID-19 pandemic throughout its duration and while government measures implemented in response to the pandemic continue to be in place. In emerging markets, the Company's growth is dependent primarily on government funding for healthcare systems. In addition, pricing pressure exists globally which could adversely impact our businesses.

Cash flows from operating activities were \$2.058 billion in the first nine months of fiscal year 2020. At June 30, 2020, we had \$2.986 billion in cash and equivalents and short-term investments, including restricted cash. We continued to return value to our shareholders in the form of dividends. During the first nine months of fiscal year 2020, we paid cash dividends of \$773 million, including \$659 million paid to common shareholders and \$114 million paid to preferred shareholders.

Each reporting period, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. A stronger U.S. dollar, compared to the prior-year period, resulted in an unfavorable foreign currency translation impact to our revenues during the third quarter of fiscal year 2020. We evaluate our results of operations on both a reported and a foreign currency-neutral basis, which excludes the impact of fluctuations in foreign currency exchange rates. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a foreign currency-neutral basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Foreign currency-neutral ("FXN") information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a foreign currency-neutral basis as one measure to evaluate our performance. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior-period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. generally accepted accounting principles ("GAAP"). Results on a foreign currency-neutral basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Results of Operations

Medical Segment

The following summarizes third quarter Medical revenues by organizational unit:

(Millions of dollars)	Three months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Medication Delivery Solutions (a)	\$ 781	\$ 981	(20.3)%	(2.5) %	(17.8)%
Medication Management Solutions (a)	677	661	2.5 %	(1.4) %	3.9 %
Diabetes Care	260	275	(5.5)%	(2.6) %	(2.9)%
Pharmaceutical Systems	403	394	2.3 %	(2.1) %	4.4 %
Total Medical Revenues	\$ 2,122	\$ 2,311	(8.2)%	(2.2) %	(6.0)%

(a) The presentation of prior-period amounts reflects the reclassification of \$3 million associated with the movement, effective on October 1, 2019, of certain products from the Medication Delivery Solutions unit to the Medication Management Solutions unit.

Third quarter Medical segment revenues reflected declines in the Medication Delivery Solutions and Diabetes Care units that were partially offset by growth in the Medication Management Solutions and Pharmaceutical Systems units. The Medication Delivery Solutions unit's third quarter revenues reflected an unfavorable impact relating to the COVID-19 pandemic due to declines in non-COVID-19 procedures which require general medical devices, particularly in the United States and China. As expected, the Medication Delivery Solutions unit's third quarter revenues in China were also unfavorably impacted by a new volume-based procurement process which has been adopted by several of China's provinces. Growth driven by pandemic-related infusion pump orders in the Medication Management Solutions unit was partially offset by the delay of other shipments of Alaris™ infusion pumps in the United States, as previously discussed above. Third quarter revenues in the Diabetes Care unit primarily reflected a pandemic-related shift of U.S. orders to the second quarter of fiscal year 2020, which resulted in a lower level of orders in the third quarter. The Pharmaceutical Systems unit's reflected continued strength in demand for prefilled products.

Medical segment total revenues for the nine-month period were as follows:

(Millions of dollars)	Nine months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Total Medical Revenues	\$ 6,362	\$ 6,626	(4.0)%	(1.5) %	(2.5)%

Medical segment income for the three and nine-month periods is provided below.

(Millions of dollars)	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Medical segment income	\$ 646	\$ 744	\$ 1,653	\$ 2,008
Segment income as % of Medical revenues	30.4 %	32.2 %	26.0 %	30.3 %

The Medical segment's income in the third quarter was driven by its performance with respect to gross profit margin and operating expenses as discussed in greater detail below:

- Gross profit margin was lower in the third quarter of 2020 as compared with the third quarter of 2019 which primarily reflected unfavorable product mix and increased levels of manufacturing overhead costs that were recognized in the period, rather than capitalized within inventory, as a result of the COVID-19 pandemic. Gross profit margin in the third quarter of 2020 was also lower compared with the prior-year period due to unfavorable product mix that was driven by the decline of sales in China due to the volume-based procurement process noted above. These unfavorable impacts were partially offset by lower manufacturing costs resulting from continuous improvement projects which enhanced the efficiency of our operations.
- Selling and administrative expense as a percentage of revenues was lower in the third quarter of 2020 compared with the third quarter of 2019 primarily due to lower expenses resulting from recently enacted cost containment measures.
- Research and development expense as a percentage of revenues was higher in the third quarter of 2020 compared with the third quarter of 2019 which reflected our continued commitment to drive innovation with new products and platforms.

Life Sciences Segment

The following summarizes third quarter Life Sciences revenues by organizational unit:

(Millions of dollars)	Three months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Integrated Diagnostic Solutions (a)					
Preanalytical Systems	\$ 312	\$ 407	(23.3)%	(2.3) %	(21.0)%
Diagnostic Systems	402	368	9.3 %	(2.8) %	12.1 %
Total Integrated Diagnostic Solutions	714	774	(7.8)%	(2.5) %	(5.3)%
Biosciences	237	284	(16.4)%	(1.7) %	(14.7)%
Total Life Sciences Revenues	\$ 951	\$ 1,058	(10.1)%	(2.3) %	(7.8)%

- (a) Effective October 1, 2019, the Preanalytical Systems and Diagnostic Systems units were joined to create the new Integrated Diagnostic Solutions unit. Additional disclosures regarding this change are provided in Note 7 in the Notes to Condensed Consolidated Financial Statements.

The Life Sciences segment's revenues in the third quarter were unfavorably impacted by the COVID-19 pandemic. Third quarter revenues in the Integrated Diagnostic Solutions unit reflected pandemic-related declines in routine diagnostic testing and specimen collections. The impact of these declines was partially offset by the Integrated Diagnostic Solutions unit's sales related to COVID-19 diagnostic testing, primarily on the BD Max™ platform. Third quarter revenues in the Biosciences unit reflected a decline in demand for instruments and reagents as research and clinical lab activity slowed due to the COVID-19 pandemic.

Life Sciences segment total revenues for the nine-month period were as follows:

<u>(Millions of dollars)</u>	Nine months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Total Life Sciences Revenues	\$ 3,187	\$ 3,166	0.7 %	(1.5) %	2.2 %

Life Sciences segment income for the three and nine-month periods was as follows:

<u>(Millions of dollars)</u>	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Life Sciences segment income	\$ 214	\$ 304	\$ 860	\$ 902
<i>Segment income as % of Life Sciences revenues</i>	22.5 %	28.7 %	27.0 %	28.5 %

The Life Sciences segment's income in the third quarter was driven by its performance with respect to gross profit margin and operating expenses as discussed in greater detail below:

- Gross margin in the third quarter of 2020 was lower compared with the third quarter of 2019 which primarily reflected unfavorable product mix and increased levels of manufacturing overhead costs that were recognized in the period, rather than capitalized within inventory, as a result of the COVID-19 pandemic.
- Selling and administrative expense as a percentage of revenues in the third quarter of 2020 was lower compared with the prior-year period primarily due to expense synergies realized from the combination of the Preanalytical Systems and Diagnostic Systems units, as noted above, and lower expenses resulting from recently enacted cost containment measures.
- Research and development expense as a percentage of revenues was higher in the third quarter of 2020 compared with the third quarter of 2019 primarily due to investments in COVID-19 testing solutions.

Interventional Segment

The following summarizes third quarter Interventional revenues by organizational unit:

<u>(Millions of dollars)</u>	Three months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Surgery (a)	\$ 197	\$ 309	(36.5)%	(0.7) %	(35.8)%
Peripheral Intervention (a)	318	396	(19.8)%	(1.6) %	(18.2)%
Urology and Critical Care (a)	268	276	(3.0)%	(1.0) %	(2.0)%
Total Interventional Revenues	\$ 782	\$ 981	(20.3)%	(1.1) %	(19.2)%

- (a) The presentation of prior-period amounts reflects the total reclassifications of \$46 million associated with the movement, effective on October 1, 2019, of certain products from the Surgery unit and the Urology and Critical Care unit to the Peripheral Intervention unit.

Third quarter revenues in each of the Interventional segment's units, particularly the Surgery and Peripheral Intervention units, were negatively impacted by decreased demand associated with the deferral of elective medical procedures as a result of the COVID-19 pandemic. Pandemic-related revenue declines in the Urology and Critical Care unit were partially offset by sales of the unit's home care and targeted temperature management businesses.

Interventional segment total revenues for the nine-month period were as follows:

<u>(Millions of dollars)</u>	Nine months ended June 30,				
	2020	2019	Total Change	Estimated FX Impact	FXN Change
Total Interventional Revenues	\$ 2,784	\$ 2,914	(4.4)%	(0.7) %	(3.7)%

Interventional segment income for the three and nine-month periods is provided below.

(Millions of dollars)	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Interventional segment income	\$ 100	\$ 183	\$ 556	\$ 623
<i>Segment income as % of Interventional revenues</i>	<i>12.8 %</i>	<i>18.6 %</i>	<i>20.0 %</i>	<i>21.4 %</i>

The Interventional segment's income in the third quarter was driven by its performance with respect to gross profit margin and operating expenses as discussed in greater detail below:

- Gross profit margin was lower in the third quarter of 2020 as compared with the third quarter of 2019 primarily due to unfavorable product mix and increased levels of manufacturing overhead costs that were recognized in the period, rather than capitalized within inventory, as a result of the COVID-19 pandemic.
- Selling and administrative expense as a percentage of revenues in the third quarter of 2020 was slightly higher compared with the prior-year period primarily due to the pandemic-related decline in segment revenues noted above, partially offset by lower expenses resulting from recently enacted cost containment measures.
- Research and development expense as a percentage of revenues was lower in the third quarter of 2020 compared with the third quarter of 2019 primarily due to the unfavorable impact of a write-down recorded by the Surgery unit in the prior-year period.
- The Interventional segment's lower income in the third quarter of 2020 additionally reflected the expiration in 2019 of a royalty income stream acquired in the C.R. Bard, Inc. ("Bard") transaction.

Geographic Revenues

BD's worldwide third quarter revenues by geography were as follows:

(Millions of dollars)	Three months ended June 30,					
	2020	2019	Total Change	Estimated FX Impact	FXN Change	
United States	\$ 2,119	\$ 2,440	(13.1)%	— %	(13.1)%	
International	1,735	1,910	(9.2)%	(4.5) %	(4.7)%	
Total Revenues	\$ 3,855	\$ 4,350	(11.4)%	(2.0) %	(9.4)%	

U.S. revenues in the third quarter of 2020 primarily reflected pandemic-related declines in the Medical segment's Medication Delivery Solutions unit and the Interventional segment's Surgery and Peripheral Intervention units, as previously discussed above. Third quarter U.S. revenues was also unfavorably impacted by results in the Medical segment's Medication Management Solutions unit, as previously discussed.

Third quarter international revenues in the third quarter of 2020 were unfavorably impacted by revenue declines in China for the Medical segment's Medication Delivery Solutions unit, as previously discussed. International revenues in the third quarter of 2020 also reflected pandemic-related declines in the Life Sciences segment's Integrated Diagnostic Solutions unit and the Interventional segment's Surgery and Peripheral Intervention units. Third quarter international revenues were favorably impacted by the Medical segment's Medication Management Solutions unit's pandemic-related orders of infusion pumps, as further discussed above.

Emerging market revenues for the third quarter were \$572 million, compared with \$703 million in the prior year's quarter. Emerging market revenues in the current-year period included an estimated \$40 million unfavorable impact due to foreign currency translation. Third quarter revenues in emerging markets were unfavorably impacted by a decline in healthcare utilization as a result of the COVID-19 pandemic. As previously discussed above, revenues in our Medication Delivery Solutions unit were also unfavorably impacted by a new volume-based procurement process which has been adopted by several of China's provinces. To date, the impact of these procurement initiatives to our revenues in China has been limited to our Medication Delivery Solutions unit.

Specified Items

Reflected in the financial results for the three and nine-month periods of fiscal years 2020 and 2019 were the following specified items:

(Millions of dollars)	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Integration costs (a)	\$ 46	\$ 63	\$ 165	\$ 206
Restructuring costs (a)	28	27	69	99
Transaction costs	—	—	—	1
Purchase accounting adjustments (b)	325	378	1,012	1,135
Transaction gain/loss and product-related matters (c)	(10)	—	248	61
European regulatory initiative-related costs (d)	33	14	77	29
Investment gains/losses and asset impairments (e)	—	30	41	30
Impacts of debt extinguishment	6	52	6	53
Hurricane recovery-related impacts	—	(10)	—	(10)
Total specified items	428	553	1,619	1,604
Less: tax impact of specified items and tax reform (f)	72	120	218	263
After-tax impact of specified items	\$ 356	\$ 432	\$ 1,401	\$ 1,341

- (a) Represents integration and restructuring costs which are primarily recorded in *Acquisitions and other restructurings* and are further discussed below.
- (b) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. BD's amortization expense is primarily recorded in *Cost of products sold*.
- (c) The amounts in the three and nine-month periods of fiscal year 2020 included charges or credits related to the estimate of probable future product remediation costs, as further discussed below. Such amounts are recorded within *Cost of products sold*, or in some cases, within *Other income (expense), net*. The amount in the prior-year nine-month period was recorded within *Other operating (income) expense, net* and included the following: a charge relating to certain product liability matters; the estimated cost of a product recall; and the pre-tax gain recognized on BD's sale of its Advanced Bioprocessing business.
- (d) Represents costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EUMDR") and General Data Protection Regulation ("GDPR"). These costs were recorded in *Research and development expense* and *Cost of products sold*.
- (e) The amount in the nine-month period of fiscal year 2020 primarily represented a charge of \$39 million recorded in *Cost of products sold* to write down the carrying value of certain intangible assets in the Biosciences unit. The amounts in the three and nine-month periods of fiscal year 2019 represented a non-cash charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.
- (f) The amount in the nine-month period of fiscal year 2019 included tax benefit, net, of \$54 million relating to new U.S. tax legislation, as further discussed below.

Gross Profit Margin

Gross profit margin for the three and nine-month periods of fiscal year 2020 compared with the prior-year periods in fiscal year 2019 reflected the following impacts:

	Three-month period	Nine-month period
June 30, 2019 gross profit margin %	47.7 %	47.4 %
Impact of purchase accounting adjustments and other specified items	(0.7)%	(2.4)%
Operating performance	(3.4)%	(1.4)%
Foreign currency translation	(0.5)%	— %
June 30, 2020 gross profit margin %	43.1 %	43.6 %

The impacts of purchase accounting adjustments and other specified items include the following:

- The impact in the nine-month period includes charges in the first and second quarters of fiscal year 2020 of \$59 million and \$199 million, respectively, to record a probable estimate of future costs within the Medication Management Solutions unit associated with remediation efforts related to Alaris™ infusion pumps. An \$18 million credit adjustment to this estimate was recorded in the third quarter. Based on the course of our remediation efforts, it is possible that this estimate could change over time. Any remediation actions will continue to be guided by our proactive commitment to patient safety and we will work closely with our customers to minimize the disruption of patient care.
- The impact in the nine-month period also includes a \$39 million charge to write down the carrying value of certain intangible assets in the Biosciences unit.

Operating performance for the three-month and nine-month periods primarily reflected unfavorable product mix and increased levels of manufacturing overhead costs that were recognized in the period, rather than capitalized within inventory, as a result of the COVID-19 pandemic. The higher levels of manufacturing overhead costs incurred in the current-year periods were driven, to a large extent, by the impact of lower plant utilization in our highly automated manufacturing sites. These unfavorable impacts to operating performance were partially offset by lower manufacturing costs resulting from continuous operations improvement projects and synergy initiatives. For the remainder of fiscal year 2020, the COVID-19 pandemic will place pressure on our gross margin due to declines in sales of products with higher gross margins.

Operating Expenses

A summary of operating expenses for the three and nine-month periods of fiscal years 2020 and 2019 is as follows:

	Three months ended June 30,		Increase (decrease) in basis points	Nine months ended June 30,		Increase (decrease) in basis points
	2020	2019		2020	2019	
(Millions of dollars)						
Selling and administrative expense	\$ 980	\$ 1,076		\$ 3,126	\$ 3,238	
<i>% of revenues</i>	25.4 %	24.7 %	70	25.3 %	25.5 %	(20)
Research and development expense	\$ 262	\$ 282		\$ 797	\$ 792	
<i>% of revenues</i>	6.8 %	6.5 %	30	6.5 %	6.2 %	30
Acquisitions and other restructurings	\$ 74	\$ 90		\$ 235	\$ 281	
Other operating (income) expense, net	\$ (15)	\$ —		\$ (15)	\$ 61	

Selling and administrative expense

The increase in selling and administrative expense as a percentage of revenues in the third quarter of 2020 compared with the prior-year period was primarily driven by the current-period decline in revenues that resulted from the COVID-19 pandemic, as well as an increase in the deferred compensation plan liability due to market performance. The gains on investment assets result in an unfavorable impact on expense recorded in *Selling and administrative expense*. These unfavorable impacts to selling and administrative expense as a percentage of revenues were partially offset by cost containment measures we have enacted to mitigate the impact of the COVID-19 pandemic on our results of operations. Selling and administrative expense as a

percentage of revenues in the current nine-month period primarily reflected our ongoing focus on disciplined spending and the achievement of cost synergies resulting from our acquisition of Bard, as well as cost containment measures we have enacted to mitigate the impact of the COVID-19 pandemic on our results of operations.

Research and development expense

Research and development expense as a percentage of revenues in the three and nine-month periods of 2020 was higher compared with the prior-year periods primarily due to investments in compliance with emerging regulations, as further discussed above. Spending in both the current and prior-year periods reflected our continued commitment to drive innovation with new products and platforms. Research and development expense as a percentage of revenues in the three and nine-month periods of 2019 reflected a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

Acquisitions and other restructurings

Costs relating to acquisitions and other restructurings in the three and nine-month periods of 2020 and 2019 largely represented integration and restructuring costs incurred due to our acquisition of Bard in the first quarter of fiscal year 2018. For further disclosures regarding restructuring costs, refer to Note 10 in the Notes to Condensed Consolidated Financial Statements.

Other operating (income) expense, net

Other operating income in the three and nine-month periods of 2020 represents an adjustment to a litigation accrual. Other operating expense in the prior-year nine-month period included a charge of approximately \$331 million relating to certain product liability matters as further discussed in Note 5 in the Notes to Condensed Consolidated Financial Statements. The amount in the period-year nine-month period also included the estimated costs of \$65 million relating to a product recall in Medical segment as well as the pre-tax gain of \$336 million recognized on BD's sale of its Advanced Bioprocessing business in the first quarter of fiscal year 2019.

Nonoperating Income

Net interest expense

The components for the three and nine-month periods of fiscal years 2020 and 2019 were as follows:

(Millions of dollars)	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Interest expense	\$ (135)	\$ (156)	\$ (405)	\$ (498)
Interest income, net	2	2	5	8
Net interest expense	\$ (133)	\$ (154)	\$ (400)	\$ (490)

Lower interest expense in the current year's three and nine-month periods compared with the prior-year periods primarily reflected debt repayments during fiscal year 2019, as well as lower overall interest rates on debt outstanding during the current-year periods as a result of fiscal year 2019 refinancing activities.

Income Taxes

The income tax rates for the three and nine-month periods of fiscal years 2020 and 2019 are provided below.

	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Effective income tax rate	(15.4)%	2.0 %	11.4 %	9.1 %
Impact, in basis points, from specified items and tax reform	(2,040)	(1,080)	(140)	(420)

The effective income tax rate for the three-month period of fiscal year 2020 reflected a tax impact from specified items that was more favorable compared with the benefit associated with specified items recognized in the prior-year period. The impact from specified items in the nine-month period of fiscal year 2020 was less favorable compared with the benefit associated with specified items in the prior-year period. The effective income tax rate for the nine-month period of fiscal year 2019 reflected the recognition of \$54 million of tax benefit recorded to adjust our consolidated balance sheet for the impacts of U.S. tax

legislation that was enacted in December 2017. The effective income tax rate for the nine-month period of fiscal year 2019 was favorably impacted by the timing of certain discrete items.

Net Income and Diluted Earnings per Share

Net Income and Diluted Earnings per Share for the three and nine-month periods of fiscal years 2020 and 2019 were as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
Net Income (Millions of dollars)	\$ 286	\$ 451	\$ 746	\$ 1,071
Diluted Earnings per Share	\$ 0.97	\$ 1.51	\$ 2.38	\$ 3.49
Unfavorable impact-specified items	\$ (1.25)	\$ (1.58)	\$ (5.03)	\$ (4.88)
Dilutive impact of BD shares issued	\$ 0.02	\$ —	\$ —	\$ —
Unfavorable impact-foreign currency translation	\$ (0.11)		\$ (0.14)	

The dilutive impact from share issuances for the three months ended June 30, 2020 represents the impact of BD shares issued in May 2020 as is further discussed in Note 3 in the Notes to Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

The following table summarizes our condensed consolidated statements of cash flows:

(Millions of dollars)	Nine months ended June 30,	
	2020	2019
Net cash provided by (used for)		
Operating activities	\$ 2,058	\$ 1,959
Investing activities	\$ (905)	\$ (300)
Financing activities	\$ 1,230	\$ (2,300)

Net Cash Flows from Operating Activities

Cash flows from operating activities in the first nine months of fiscal year 2020 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash. This net use of cash primarily reflected higher levels of inventory and lower levels of accounts payable and accrued expenses, partially offset by lower levels of trade receivables and prepaid expenses.

Cash flows from operating activities in the first nine months of fiscal year 2019 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash. Cash flows from operating activities in the prior-year period additionally reflected \$200 million of discretionary cash contributions to fund our pension obligation.

Net Cash Flows from Investing Activities

Our investments in capital expenditures are focused on projects that enhance our cost structure and manufacturing capabilities, and support our strategy of geographic expansion with select investments in growing markets. Net outflows from investing activities in the first nine months of fiscal year 2020 included capital expenditure-related outflows of \$597 million, compared with \$599 million in the prior-year period. Net outflows from investing activities in the current-year period reflected our acquisition of Straub Medical AG in the third quarter. Net cash flows from investing activities in the first nine months of fiscal year 2019 included proceeds \$477 million from our sale of a business during the period, as further discussed above.

Net Cash Flows from Financing Activities

Net cash from financing activities in the first nine months of fiscal years 2020 and 2019 included the following significant cash flows:

(Millions of dollars)	Nine months ended June 30,	
	2020	2019
Cash inflow (outflow)		
Change in credit facility borrowings	\$ (485)	\$ 300
Proceeds from long-term debt and term loans	\$ 3,389	\$ 2,224
Payments of debt and term loans	\$ (3,711)	\$ (3,882)
Proceeds from issuance of equity securities	\$ 2,917	\$ —
Dividends paid	\$ (773)	\$ (737)

Our fiscal year 2020 debt and equity transactions are further discussed in Notes 3 and 14 in the Notes to Condensed Consolidated Financial Statements. Certain measures relating to our total debt were as follows:

(Millions of dollars)	June 30, 2020	September 30, 2019
Total debt	\$ 18,720	\$ 19,390
Short-term debt as a percentage of total debt	8.7 %	6.8 %
Weighted average cost of total debt	2.7 %	2.9 %
Total debt as a percentage of total capital*	42.0 %	45.6 %

* Represents shareholders' equity, net non-current deferred income tax liabilities, and debt.

The increase in the ratio of short-term debt as a percentage of total debt at June 30, 2020 was largely driven by our reclassification of certain notes from long-term to short-term.

Cash and Short-term Investments

At June 30, 2020, total worldwide cash and short-term investments, including restricted cash, were approximately \$2.986 billion, which were primarily held in the United States.

Financing Facilities

We have a five-year senior unsecured revolving credit facility in place which will expire in December 2022. The facility agreement includes a provision that enabled BD, subject to additional commitments made by the lenders, to access up to an additional \$500 million in financing through the facility for a maximum aggregate commitment of \$2.75 billion. In April 2020, we entered into a supplement to the facility agreement which increased the revolving commitments available under the facility by \$381 million. As such, borrowings provided for under the agreement increased from \$2.25 billion to \$2.63 billion. We are also able to issue up to \$100 million in letters of credit under this revolving credit facility. We use proceeds from this facility to fund general corporate needs. There were no borrowings outstanding under the revolving credit facility at June 30, 2020.

The agreement for our revolving credit facility and the supplement entered into in April 2020 contained the following financial covenants. We were in compliance with these covenants as of June 30, 2020.

- We are required to maintain an interest expense coverage ratio of not less than 4-to-1 as of the last day of each fiscal quarter.
- We are required to have a leverage coverage ratio of no more than:
 - 6-to-1 from the closing date of the Bard acquisition until and including the first fiscal quarter-end thereafter;
 - 5.75-to-1 for the subsequent four fiscal quarters thereafter;
 - 5.25-to-1 for the subsequent four fiscal quarters thereafter;
 - 4.5-to-1 for the subsequent four fiscal quarters thereafter;
 - 4-to-1 for the subsequent four fiscal quarters thereafter;
 - 3.75-to-1 thereafter.

In March 2020, we entered into a 364-day senior unsecured term loan facility with borrowing capacity available of \$2.0 billion. During the third quarter of fiscal year 2020, we repaid \$1.9 billion of borrowings outstanding under this term loan with cash on hand and terminated the facility.

We also have informal lines of credit outside the United States. We may, from time to time, access the commercial paper market and/or sell certain trade receivable assets to third parties as we manage working capital over the normal course of our business activities. We had no commercial paper borrowings outstanding as of June 30, 2020. Additional disclosures regarding sales of trade receivable assets are provided in Note 13 in the Notes to Condensed Consolidated Financial Statements.

Access to Capital and Credit Ratings

Our corporate credit ratings with the rating agencies Moody's Investor Service and Fitch Ratings at June 30, 2020 were unchanged compared with our ratings at September 30, 2019. In March 2020, Standard & Poor's Ratings Services affirmed our September 30, 2019 ratings and revised the agency's outlook regarding the likely direction of these ratings from Stable to Negative.

Lower corporate debt ratings and downgrades of our corporate credit ratings or other credit ratings may increase our cost of borrowing. We believe that given our debt ratings, our financial management policies, our ability to generate cash flow and the non-cyclical, geographically diversified nature of our businesses, we would have access to additional short-term and long-term capital should the need arise. A rating reflects only the view of a rating agency and is not a recommendation to buy, sell or hold securities. Ratings can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

Concentrations of Credit Risk

We continually evaluate our accounts receivables for potential collection risks, particularly those resulting from sales to government-owned or government-supported healthcare facilities in certain countries, as payment may be dependent upon the financial stability and creditworthiness of those countries' national economies. We continually evaluate all governmental receivables for potential collection risks associated with the availability of government funding and reimbursement practices. We believe the current reserves related to all governmental receivables are adequate and that these receivables will not have a material adverse impact on our financial position or liquidity.

To date, we have not experienced a significant increased risk of collectability of accounts receivables in general as a result of the COVID-19 pandemic. No assurances can be given that the risk of collectability will not increase in the future given the uncertainty around the duration of the pandemic and its economic impact.

Regulatory Matters

In January 2018, BD received a Warning Letter from the U.S. FDA, citing certain alleged violations of quality system regulations and of law with respect to our Preanalytical Systems facility in Franklin Lakes, New Jersey. The Warning Letter states that, until BD resolves the outstanding issues covered by the Warning Letter, the FDA will not clear or approve any premarket submissions for Class III devices to which the non-conformances are reasonably related or grant requests for certificates to foreign governments. BD is working closely with the FDA and intends to fully implement corrective actions to address the concerns identified in the Warning Letter. However, BD cannot give any assurances that the FDA will be satisfied with its responses to the Warning Letter or as to the expected date of resolution of matters included in the Warning Letter. While BD does not believe that the issues identified in the Warning Letter will have a material impact on BD's operation, no assurances can be given that the resolution of this matter will not have a material adverse effect on BD's business, results of operations, financial conditions and/or liquidity.

In October 2019, BD entered into a consent order with the Environmental Protection Division of the Georgia Department of Natural Resources ("EPD"), following the filing of a complaint and motion for temporary restraining order by the EPD seeking to enjoin BD from continuing sterilization operations at its Covington, Georgia facility. Under the terms of the consent order, BD voluntarily agreed to a number of operational changes at its Covington and Madison, Georgia facilities designed to further reduce ethylene oxide emissions, including but not limited to operating at a reduced capacity. BD does not believe that the consent order will have a material impact on its operations. Violation of the consent order could subject us to additional restrictions on the sterilization operations at our Covington and Madison facilities. BD has business continuity plans in place to mitigate the impact of any additional restrictions on our operations at these facilities, although it is possible that these plans will not be able to fully offset such impact.

As previously reported, our Alaris™ infusion pump organizational unit is operating under an amended consent decree entered into by CareFusion that includes all infusion pumps manufactured by or for CareFusion 303, Inc., the organizational unit that

manufactures and sells Alaris™ infusion pumps in the United States. Following an inspection that began in March 2020 of our Medication Management Systems facility (CareFusion 303, Inc.) in San Diego, California, the FDA issued to BD a Form 483 Notice that contains a number of observations of non-conformance. BD has provided the FDA with its response to the Form 483 and has begun to implement certain corrective actions to address the observations. However, the FDA's review of the items raised in the Form 483 remains ongoing and no assurances can be given regarding further action by the FDA as a result of the observations.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws. BD and its representatives may also, from time to time, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the Securities and Exchange Commission, press releases, and our reports to shareholders. Forward-looking statements may be identified by the use of words such as “plan,” “expect,” “believe,” “intend,” “will,” “may,” “anticipate,” “estimate” and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth, and cash flows) and statements regarding our strategy for growth, future product development, regulatory approvals, competitive position and expenditures. All statements that address our future operating performance or events or developments that we expect or anticipate will occur in the future are forward-looking statements.

Forward-looking statements are, and will be, based on management's then-current views and assumptions regarding future events, developments and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate, or risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events and developments or otherwise, except as required by applicable law or regulations.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of certain of these factors, see Item 1A. Risk Factors in this report and in our 2019 Annual Report on Form 10-K.

- Any negative impact of the COVID-19 pandemic on our business, including, without limitation, continued decreases in the demand for our products or any disruptions to our operations and our supply chain.
- The current weakness in the global economy and financial markets, which could increase the cost of operating our business, weaken demand for our products and services, negatively impact the prices we can charge for our products and services, or impair our ability to produce our products.
- Competitive factors that could adversely affect our operations, including new product introductions and technologies (for example, new forms of drug delivery) by our current or future competitors, consolidation or strategic alliances among healthcare companies, distributors and/or payers of healthcare to improve their competitive position or develop new models for the delivery of healthcare, increased pricing pressure due to the impact of low-cost manufacturers, patents attained by competitors (particularly as patents on our products expire), new entrants into our markets and changes in the practice of medicine.
- Risks relating to our acquisition of Bard, including our ability to successfully combine and integrate the Bard operations in order to obtain the anticipated benefits and costs savings from the transaction, and the significant additional indebtedness we incurred in connection with the financing of the acquisition and the impact it may have on our ability to operate the combined company.
- The adverse financial impact resulting from unfavorable changes in foreign currency exchange rates.
- Regional, national and foreign economic factors, including inflation, deflation, and fluctuations in interest rates, and their potential effect on our operating performance.
- Our ability to achieve our projected level or mix of product sales, as our earnings forecasts are based on projected sales volumes and pricing of many product types, some of which are more profitable than others.
- Changes in reimbursement practices of governments or third-party payers, or adverse decisions relating to our products by such payers, which could reduce demand for our products or the price we can charge for such products.
- Cost containment efforts in the U.S. or in other countries in which we do business, such as alternative payment reform and increased use of competitive bidding and tenders, including, without limitation, any expansion of the volume-based procurement process in China.

- Changes in the domestic and foreign healthcare industry or in medical practices that result in a reduction in procedures using our products or increased pricing pressures, including the continued consolidation among healthcare providers.
- The impact of changes in U.S. federal laws and policy that could affect fiscal and tax policies, healthcare, and international trade, including import and export regulation and international trade agreements. In particular, tariffs or other trade barriers imposed by the U.S. or other countries could adversely impact our supply chain costs or otherwise adversely impact our results of operations.
- Increases in operating costs, including fluctuations in the cost and availability of oil-based resins and other raw materials, as well as certain components, used in our products, or the ability to maintain favorable supplier arrangements and relationships (particularly with respect to sole-source suppliers), and the potential adverse effects of any disruption in the availability of such items.
- Security breaches of our information technology systems or our products, which could impair our ability to conduct business, result in the loss of BD trade secrets or otherwise compromise sensitive information of BD or its customers, suppliers and other business partners, or of customers' patients, or result in product efficacy or safety concerns for certain of our products, and result in actions by regulatory bodies or civil litigation.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, successfully complete clinical trials, obtain regulatory approvals in the United States and abroad, obtain intellectual property protection for our products, obtain coverage and adequate reimbursement for new products, or gain and maintain market approval of products, as well as the possibility of infringement claims by competitors with respect to patents or other intellectual property rights, all of which can preclude or delay commercialization of a product. Delays in obtaining necessary approvals or clearances from United States Food and Drug Administration ("FDA") or other regulatory agencies or changes in the regulatory process may also delay product launches and increase development costs.
- The impact of business combinations or divestitures, including any volatility in earnings relating to acquisition-related costs, and our ability to successfully integrate any business we may acquire.
- Our ability to penetrate or expand our operations in emerging markets, which depends on local economic and political conditions, and how well we are able to make necessary infrastructure enhancements to production facilities and distribution networks.
- Conditions in international markets, including social and political conditions, civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, tariffs and other protectionist measures, difficulties in protecting and enforcing our intellectual property rights and governmental expropriation of assets. This includes the possible impact of the United Kingdom's exit from the European Union ("EU"), which has created uncertainties affecting our business operations in the United Kingdom and the EU, and possibly other countries. Our international operations also increase our compliance risks, including risks under the Foreign Corrupt Practices Act and other anti-corruption laws, as well as regulatory and privacy laws.
- Deficit reduction efforts or other actions that reduce the availability of government funding for healthcare and research, which could weaken demand for our products and result in additional pricing pressures, as well as create potential collection risks associated with such sales.
- Fluctuations in university or U.S. and international governmental funding and policies for life sciences research.
- Fluctuations in the demand for products we sell to pharmaceutical companies that are used to manufacture, or are sold with, the products of such companies, as a result of funding constraints, consolidation or otherwise.
- The effects of weather, regulatory or other events that adversely impact our supply chain, including our ability to manufacture our products (particularly where production of a product line or sterilization operations are concentrated in one or more plants), source materials or components or services from suppliers (including sole-source suppliers) that are needed for such manufacturing (including sterilization), or provide products to our customers, including events that impact key distributors.
- Natural disasters (including pandemics), war, terrorism, labor disruptions and international conflicts that could cause significant economic disruption and political and social instability, resulting in decreased demand for our products, adversely affect our manufacturing and distribution capabilities, or cause interruptions in our supply chain.
- Pending and potential future litigation or other proceedings asserting, and/or subpoenas seeking information with respect to, alleged violations of law (including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid) and/or sales and marketing practices (such as investigative subpoenas and the civil investigative demands received by BD and Bard)), antitrust claims, product liability (which may involve lawsuits seeking class action

status or seeking to establish multi-district litigation proceedings, including claims relating to our hernia repair implant products, surgical continence products for women and vena cava filter products), claims with respect to environmental matters, and patent infringement, and the availability or collectability of insurance relating to any such claims.

- New or changing laws and regulations affecting our domestic and foreign operations, or changes in enforcement practices, including laws relating to trade, monetary and fiscal policies, taxation (including tax reforms that could adversely impact multinational corporations), sales practices, environmental protection, price controls, and licensing and regulatory requirements for new products and products in the postmarketing phase. In particular, the U.S. and other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to re-register products already on the market or otherwise impact our ability to market our products. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD.
- Product efficacy or safety concerns regarding our products resulting in product holds or recalls, regulatory action on the part of the FDA or foreign counterparts (including restrictions on future product clearances and civil penalties), declining sales and product liability claims, and damage to our reputation. As a result of the CareFusion acquisition, we are operating under a consent decree with the FDA relating to our U.S. infusion pump business. The consent decree authorizes the FDA, in the event of any violations in the future, to order us to cease manufacturing and distributing products, recall products or take other actions, and we may be required to pay significant monetary damages if we fail to comply with any provision of the consent decree. Also, in 2019, the FDA letter to healthcare professionals regarding the use of paclitaxel-coated devices in the treatment of peripheral artery disease resulted in decreased sales of BD's drug-coated balloons. While we have changed the labeling on our products as required by the FDA and continue to work with the FDA on patient data, the extent and duration of the impact from the FDA letter, and the likelihood of FDA approval of new drug-coated devices, is difficult to predict.
- The effect of adverse media exposure or other publicity regarding BD's business or operations, including the effect on BD's reputation or demand for its products.
- The effect of market fluctuations on the value of assets in BD's pension plans and on actuarial interest rate and asset return assumptions, which could require BD to make additional contributions to the plans or increase our pension plan expense.
- Our ability to obtain the anticipated benefits of restructuring programs, if any, that we may undertake.
- Issuance of new or revised accounting standards by the Financial Accounting Standards Board or the Securities and Exchange Commission.

The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider this list to be a complete statement of all potential risks and uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in information reported since the end of the fiscal year ended September 30, 2019.

Item 4. Controls and Procedures

An evaluation was carried out by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of June 30, 2020. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities.

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2020 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, BD's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are involved, both as a plaintiff and a defendant, in various legal proceedings which arise in the ordinary course of business, including product liability and environmental matters as set forth in our 2019 Annual Report on Form 10-K, and in Note 5 of the Notes to Condensed Consolidated Financial Statements in this report, which is incorporated herein by reference. Since March 31, 2020, there have been no material developments with respect to the legal proceedings in which we are involved.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, of our 2019 Annual Report on Form 10-K, except as set forth below.

We are subject to risks associated with public health threats, including the ongoing COVID-19 pandemic, which has had, and we expect will continue to have, a material adverse effect on our business. The nature and extent of future impacts are highly uncertain and unpredictable.

We are subject to risks associated with public health threats, including the COVID-19 pandemic. The continuing outbreak of COVID-19 and travel restrictions, quarantines and other actions taken by governments and the private sector to slow the spread of the virus have resulted in a global economic slowdown, and have caused healthcare systems to divert resources to manage the pandemic. These measures have led to unprecedented restrictions on and disruptions in businesses and personal activities. Governments may continue those measures or implement other restrictions and requirements in light of the continuing spread of the pandemic and concern over new outbreaks. As a result, we have experienced significant reductions in the demand for certain of our products, particularly due to the decline in elective medical procedures, which negatively impacted our revenues. As the pandemic continues, we expect to continue to experience weakened demand for these products as a result of the reduction in elective and non-essential procedures, lower utilization of routine testing and related specimen collection, reduced capital spend by customers and a decrease in research activity due to laboratory closures and reduced clinical testing. While we have seen increases in demand for certain product lines during the pandemic, this increased demand has not been, and may not be, sufficient to offset the revenue declines in other areas. We also expect continued pressure on our margins due to lost sales of products with gross margins that are higher than the company average. Safety measures taken by governments to slow the spread of the virus or determinations that our or our suppliers' facilities are not essential businesses could also result in closures or other restrictions that significantly disrupt our operations or those of distributors or suppliers in our supply chain. In addition, while we undertook certain financing activities as a precautionary measure during this economic slowdown, no assurance can be given that we will be able to access capital markets in the future without incurring significant costs and expense. While the United States and other countries have begun to reopen their economies, a resurgence in infections could result in the imposition of new restrictions. The scope and duration of the outbreak, the pace at which government restrictions will be lifted or whether additional actions may be taken to contain the virus, the speed and extent to which global markets and utilization rates for our products recover from the disruptions caused by the pandemic, and the impact of these factors on our business, will depend on future developments that are highly uncertain and cannot be predicted with confidence.

To the extent COVID-19 adversely affects our operations and global economic conditions more generally, it may also have the effect of heightening many of the other risks described in the "Risk Factors" section included in our 2019 Annual Report on Form 10-K for the year ended September 30, 2019.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth certain information regarding our purchases of common stock of BD during the quarter ended June 30, 2020.

Issuer Purchases of Equity Securities

For the three months ended June 30, 2020	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
April 1 – 30, 2020	—	\$ —	—	7,857,742
May 1 – 31, 2020	1,619	239.39	—	7,857,742
June 1 – 30, 2020	—	—	—	7,857,742
Total	1,619	\$ 239.39	—	7,857,742

- (1) Consists of 1,619 shares purchased during the quarter in open market transactions by the trust relating to BD's Deferred Compensation and Retirement Benefit Restoration Plan and 1996 Directors' Deferral Plan.
- (2) Represents shares available under a repurchase program authorized by the Board of Directors on September 24, 2013 for 10 million shares, for which there is no expiration date.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

- [3.1](#) Restated Certificate of Incorporation, dated as of January 30, 2019 (incorporated by reference to Exhibit 3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2018).
- [3.2](#) Certificate of Amendment to the Company's Restated Certificate of Incorporation, filed with the New Jersey Secretary of State and effective May 21, 2020 (incorporated by reference to Exhibit 4.1 to the registration statement on Form 8-A filed by the Company on May 26, 2020).
- [4.1](#) Form of Certificate for the 6.00% Mandatory Convertible Preferred Stock, Series B (incorporated by reference to Exhibit 4.2 of the registrant's registration statement on Form 8-A filed on May 26, 2020).
- [4.2](#) Deposit Agreement, dated as of May 26, 2020, among Becton, Dickinson and Company and Computershare Inc. and Computershare Trust Company, N.A., acting jointly as depository and Computershare Trust Company, N.A., acting as Registrar and Transfer Agent, on behalf of the holders from time to time of the depository receipts described therein (incorporated by reference to Exhibit 4.3 of the registrant's registration statement on Form 8-A filed on May 26, 2020).
- [4.3](#) Form of Depositary Receipt for the Depositary Shares (incorporated by reference to Exhibit 4.4 of the registrant's registration statement on Form 8-A filed on May 26, 2020).
- [4.4](#) Commitment Increase Supplement to Credit Agreement, dated as of April 1, 2020, among Becton, Dickinson and Company, the banks named therein and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 of the registrant's Current Report on Form 8-K filed on April 2, 2020)
- [4.5](#) Form of 2.823% Notes due May 20, 2030 (incorporated by reference to Exhibit 4.1 of the registrant's Current Report on Form 8-K filed on May 20, 2020).
- [4.6](#) Form of 3.794% Notes due May 20, 2050 (incorporated by reference to Exhibit 4.2 of the registrant's Current Report on Form 8-K filed on May 20, 2020).
- [10.1](#) Deferred Compensation and Benefit Restoration Plan, effective as of May 1, 2020.
- [10.2](#) Aircraft Time Sharing Agreement, dated June 5, 2020, between the registrant and Thomas E. Polen.
- [31](#) Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
- [32](#) Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.
- 101 The following materials from this report, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements 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.

Becton, Dickinson and Company
(Registrant)

Dated: August 6, 2020

/s/ Christopher Reidy

Christopher Reidy

Executive Vice President, Chief Financial Officer and Chief Administrative Officer

(Principal Financial Officer)

/s/ Thomas J. Spoerel

Thomas J. Spoerel

Vice President, Controller and Chief Accounting Officer

(Principal Accounting Officer)

BD DEFERRED COMPENSATION AND RETIREMENT BENEFIT RESTORATION PLAN
Effective May 1, 2020

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BD DEFERRED COMPENSATION AND RETIREMENT BENEFIT RESTORATION PLAN

Amended and Restated as of May 1, 2020

FOREWORD

Effective as of August 1, 1994 (the “Effective Date”), Becton, Dickinson and Company (the “Company”) adopted the Becton, Dickinson and Company Salary and Bonus Deferral Plan (the “Plan”) for the benefit of certain of its employees. The Plan is intended to be an unfunded plan of deferred compensation primarily for the benefit of a select group of management and highly compensated employees. To the extent that the Plan permits the voluntary deferral of bonuses, the Plan is intended to amend and replace the Bonus Deferral Option of the Becton, Dickinson and Company Executive Bonus Plan.

The purpose of the Plan is to permit those employees of the Company who are part of a select group of management or highly compensated employees to defer, pursuant to the provisions of the Plan, a portion of the salaries, bonuses and other remuneration (including certain equity-based compensation) otherwise payable to them.

Effective as of August 15, 1996, the Board of Directors of the Company amended the Plan to permit Participants to have their deferred salaries or deferred bonuses considered to be invested in Common Stock of the Company, to permit those Participants to vote a number of shares of Common Stock equal to the number considered to be held for their benefit under the Plan, and for certain other purposes.

Effective as of November 1, 2001, the Plan was amended and restated to rename the Plan as the Becton, Dickinson and Company Deferred Compensation Plan, and to modify the deferral opportunities and the distribution and withdrawal options under the Plan, and to make certain other modifications deemed desirable.

Effective as of March 22, 2004, the Plan was amended and restated to permit Participants to defer certain equity-based compensation awarded under the Becton, Dickinson and Company Stock Award Plan (the “Stock Award Plan”) and the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan (the “Equity-Based Compensation Plan”).

Effective as of January 1, 2005, the Plan was amended (in operation and through various separate amendments and related documents) in several respects to comply with the requirements of Code Section 409A. In addition, effective as of December 31, 2008, the Plan was further amended to: (1) consolidate the provisions of the Becton, Dickinson and Company Retirement Benefit Restoration Plan with this Plan (reflecting the consolidated administration of the two plans); and (2) bring the consolidated Plan into compliance with the written plan requirements of Code Section 409A. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code Section 409A, and any provision that would conflict with such requirements shall not be valid or enforceable.

Effective as of October 1, 2009, the Plan was amended to allow Participants to change their Investment Elections on a daily basis.

Effective as of January 1, 2010, the Plan was amended to limit future hypothetical investment in Common Stock.

Effective as of January 1, 2013, the Plan was amended to reflect the conversion of certain Participants' Retirement Plan benefits from being calculated using the final average pay formula under the Retirement Plan to being calculated using the cash balance formula under the Retirement Plan and to reflect certain administrative practices.

Effective as of January 1, 2014, the Plan was amended to reflect certain design changes related to Plan eligibility. In addition, effective for deferrals made on and after January 1, 2014, the Plan was amended to reflect certain changes related to deferral elections and Company Matching Credits.

Effective as of January 1, 2016, the Plan was amended to clarify certain changes related to deferral elections and Company Matching Credits.

Effective as of January 1, 2017, the Plan was amended and restated to rename the Plan as the BD Deferred Compensation and Retirement Benefit Restoration Plan, to eliminate the 15-year annual installment distribution option with respect to amounts deferred on or after January 1, 2017, and to clarify the eligibility to receive certain in-kind distributions of Common Stock of the Company. In addition, effective as of January 1, 2017, the CareFusion Corporation Deferred Compensation Plan was merged into the Plan.

Effective as of January 1, 2018, the Plan was amended and restated to limit eligibility for Restoration Plan Benefits and to add an annual non-elective Company crediting allocation for eligible Participants who are eligible for 401(k) Plan Non-Elective Contributions and whose Total Eligible Compensation during the applicable year exceeds the limitation on compensation required under Code Section 401(a)(17).

Effective as of January 1, 2019, the Plan was amended and restated to reflect the addition of

C. R. Bard, Inc. as a participating employer in the Plan, and to incorporate certain amendments that became effective in 2018.

Effective as of May 1, 2020, the Plan was amended and restated to incorporate certain amendments to the Plan that became effective in 2020.

ARTICLE I.

Definitions

“401(k) Plan”

means the BD 401(k) Plan.

“401(k) Plan Non-Elective Contributions”

means Company Non-Elective Contributions (as defined in the 401(k) Plan).

“Account” or “Accounts”

means the bookkeeping account or accounts established under the Plan, if any, on behalf of a Participant and includes earnings credited thereon or losses charged thereto.

“Agreement”

means an agreement entered into between an Eligible Employee and the Company, as agreed to by the Compensation and Benefits Committee of the Board of Directors of the Company (or any committee successor thereto), to participate in the provisions of this Plan related to Restoration Plan benefits and delineating certain terms and conditions with respect to such participation including (but not limited to) the benefits (if any) that are to be provided to the Eligible Employee in lieu of or in addition to the benefits described under the terms of this Plan.

“Annual Open Enrollment Period”

means the annual period designated by the Committee, which ends not later than the December 31 of a Plan Year, during which a Participant may make or change deferral and/or distribution elections under this Plan.

“Base Salary”

means the base salary or wages otherwise taken into account under the 401(k) Plan, determined in accordance with the provisions of such plan, but without regard to the limitation on compensation otherwise required under Code Section 401(a)(17), and without regard to any deferrals of the foregoing of compensation under this or any other plan of deferred compensation maintained by the Company.

“Beneficiary” or “Beneficiaries”

means the beneficiary or beneficiaries who, pursuant to the provisions of this Plan, is or are to receive the amount, if any, payable under this Plan upon the death of a Participant.

“Board of Directors”

means the Board of Directors of the Company.

“Bonus”

means the annual bonus payable under the Company’s Performance Incentive Plan, or any successor thereto.

“Change in Control”

of the Company means any of the following events:

(1) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13(d)(3) promulgated under the Exchange Act) of 25% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section 1.10, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated company, (iv) any acquisition by any corporation pursuant to a transaction that complies with Sections 1.10(3)(A), 1.10(3)(B) and 1.10(3)(C), or (v) any acquisition that the Board determines, in good faith, was inadvertent, if the acquiring Person divests as promptly as practicable a sufficient amount of the Outstanding Company Common Stock and/or the Outstanding Company Voting Securities, as applicable, to reverse such acquisition of 25% or more thereof.

(2) Individuals who, as of April 24, 2000, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to April 24, 2000 whose election, or nomination for election as a director by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(3) Consummation of a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case, unless, following such Business

Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

“Code”

means the Internal Revenue Code of 1986, as amended, or any successor statute.

“Committee”

means the Plan Administrative Committee, which is responsible for administering the Plan. The Committee shall consist of three or more employees of the Company as determined by, and appointed by, the Board of Directors. The Committee may delegate pursuant to a written authorization (including, by way of illustration, through a contract, memorandum, or other written delegation document) any or all of its responsibilities involving ongoing day-to-day administration or ministerial acts, as set forth in this Plan to one or more individuals or service-providers. In any case where this Plan refers to the Committee, such reference is deemed to be a reference to any delegate of the Committee appointed for such purpose.

“Common Stock”

means the common stock (\$1.00 par value) of the Company, including any shares into which it may be split, subdivided or combined.

“Company”

means Becton, Dickinson and Company and any successor to such corporation by merger, purchase or otherwise.

“Company Discretionary Credits”

means the amounts credited to a Participant’s Company Discretionary Credit Account, if any, pursuant to Section 3.5.

“Company Discretionary Credit Account”

means the bookkeeping account established under Section 3.5, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Company Matching Credits”

means the amounts credited to a Participant’s Company Matching Credit Account, if any, pursuant to Section 3.4.

“Company Matching Credit Account”

means the bookkeeping account established under Section 3.4, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Company Non-Elective Credits”

means the amounts credited to a Participant’s Company Non-Elective Credit Account, if any, pursuant to Section 3.6.

“Company Non-Elective Credit Account”

means the bookkeeping account established under Section 3.6, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Deferral Election”

means the Participant’s election to participate in this Plan and defer amounts eligible for deferral in accordance with the Plan terms. Except as the context otherwise requires, references herein to Deferral Elections include any subsequent modifications of a prior Deferral Election.

“Deferred Bonus”

means the amount of a Participant’s Bonus that such Participant has elected to defer until a later year pursuant to an election under Section 3.2.

“Deferred Bonus Account”

means the bookkeeping account established under Section 3.2 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Deferred Bonus Election”

means the election by a Participant under Section 3.2 to defer a portion of the Participant’s Bonus until a later year.

“Deferred Equity-Based Compensation”

means the amount of a Participant’s Equity-Based Compensation that such Participant has elected to defer until a later year pursuant to an election under Section 3.3.

“Deferred Equity-Based Compensation Account”

means the bookkeeping account established under Section 3.3 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Section 5.3(b).

“Deferred Equity-Based Compensation Election”

means the election by a Participant under Section 3.3 to defer a portion of the Participant’s Equity-Based Compensation.

“Deferred Restoration Distribution”

means the amount of a Participant’s distributable Restoration Plan Benefit that such Participant has elected to defer under this Plan pursuant to an election under Section 3.7.

“Deferred Restoration Distribution Account”

means the bookkeeping account established under Section 3.7 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Deferred Restoration Distribution Election”

means the election by a Participant under Section 3.7 to defer all or a portion of the Participant’s distributable Restoration Plan Benefit.

“Deferred Salary”

means the amount of a Participant’s Base Salary that such Participant has elected to defer until a later year pursuant to an election under Section 3.1.

“Deferred Salary Account”

means the bookkeeping account established under Section 3.1 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

“Deferred Salary Election”

means the election by a Participant under Section 3.1 to defer until a later year a portion of his or her Base Salary.

“Deferred Stock Account”

means the bookkeeping account established under Section 5.3(b) on behalf of a Participant and includes, in addition to amounts stated in that Section, any Dividend Reinvestment Return credited thereon.

“Deferred Stock Election”

means the election by a Participant under Section 5.3(b) to have applicable deferred amounts credited in the form of Common Stock to the Participant’s Deferred Stock Account.

“Disability”

means a Participant’s total disability as defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:

- (i) The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or
- (ii) The Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

A Participant will be deemed to have suffered a Disability if determined to be totally disabled by the Social Security Administration.

“Disabled”

means that a Participant is totally and permanently disabled as defined in the Company’s Long-Term Disability Plan. With respect to payments of amounts in excess of a Participant’s Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit on account of disability, the term “Disabled” means a disability that meets the standard for disability under Code Section 409A and the guidance issued thereunder.

“Dividend Reinvestment Return”

means the amounts which are credited to each Participant’s Deferred Stock Account pursuant to Section 5.3(b) to reflect dividends declared by the Company on its Common Stock.

“Equity-Based Compensation”

means (i) November 24, 2003, awards granted under the Stock Award Plan and (ii) Restricted Stock Units, Performance Units, and Other Stock-Based Awards granted under Sections 7, 8, and 9 of the Equity-Based Compensation Plan, and does not include any such awards that qualify as vested stock, restricted stock, stock option awards, or stock appreciation rights.

“Equity-Based Compensation Plan”

means the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan.

“ERISA”

means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“Fiscal Year”

means the fiscal year of the Company, which currently is the twelve-month period commencing on the first day of October and ending on the last day of September of the following calendar year.

“Grandfathered Deferred Compensation Plan Deferrals”

means amounts deferred under the terms of this Plan as in effect as of December 31, 2004 (and the earnings credited thereon before, on or after January 1, 2005) for which (i) the Participant had a legally binding right as of December 31, 2004, to be paid the amount, and (ii) such right to the amount was earned and vested as of December 31, 2004 and was credited to the Participant’s Account.

“Grandfathered Restoration Plan Benefit”

means amounts deferred under the terms of the Restoration Plan as in effect as of December 31, 2004 for which the Participant had a legally binding right as of December 31, 2004 and which amount was earned and vested as of December 31, 2004. The calculation of a Participant’s Grandfathered Restoration Plan Benefit shall equal the present value of the amount to which the Participant would have been entitled under the Restoration Plan if the Participant voluntarily terminated employment on December 31, 2004, and received a payment of the benefits available from the Restoration Plan on the earliest possible date allowed under the Restoration Plan to receive a payment of benefits following the termination of employment, and received the benefits in the form with the maximum value. Notwithstanding the foregoing, for any subsequent taxable year of the Participant, the Grandfathered Restoration Plan Benefit may increase to equal the present value of the benefit the Participant actually becomes entitled to, in the form and at the time actually paid, determined under the terms of the Restoration Plan, as in effect on October 3, 2004, without regard to any further services rendered by the Participant after December 31, 2004, or any other events affecting the amount of or the entitlement to benefits (other than the Participant’s election with respect to the time or form of an available benefit). For purposes of calculating the present value of a benefit under this Section, actuarial assumptions and methods to be used will be the same as those used to value benefits under the Retirement Plan and shall otherwise be made in accordance with Reg. §1.409A-6(a)(3)(i).

“Group”

means the Company and any other company which is related to the Company as a member of a controlled group of corporations in accordance with Section 414(b) of the Code, as a trade or business under common control in accordance with Section 414(c) of the Code or any other entity to the extent it is required to be treated as part of the Group in accordance with Section 414(o) of the Code and any regulations thereunder, or any organization which is part of an affiliated service group in accordance with Section 414(m) of the Code. For the purposes under the Plan of determining whether or not a person is a Participant and the period of employment of such person, each such company shall be included in the “Group” only for such period or periods during which such other company is a member of the controlled group or under common control.

“Investment Election”

means the Participant’s election to have deferred amounts credited with hypothetical earnings credits (or losses) that track the investment performance of the Investment Options and/or Common Stock in accordance with Article V.

“Investment Options”

means those hypothetical targeted investment options designated by the Committee as measurements of the rate of return to be credited to (or charged against) amounts deferred to Participants' Accounts.

“Other Stock-Based Awards”

means awards granted under Section 9 of the Equity-Based Compensation Plan.

“Participant”

means a common law employee of the Company who meets the eligibility and participation requirements set forth in Article II.

“Performance Units”

means awards granted under Section 8 of the Equity-Based Compensation Plan.

“Plan”

means the BD Deferred Compensation and Retirement Benefit Restoration Plan as from time to time in effect. Previously, the terms of this Plan were determined under the terms of the Restoration Plan and the Becton, Dickinson and Company Deferred Compensation Plan (previously the Becton, Dickinson and Company Salary and Bonus Deferral Plan), which are hereby consolidated into a single document.

“Plan Year”

means the calendar year.

“Restricted Stock Units”

means Restricted Stock Units granted under Section 7 of the Equity-Based Compensation Plan.

“Restoration Plan”

means the Becton, Dickinson and Company Retirement Benefit Restoration Plan, as amended and restated from time to time.

“Restoration Plan Benefit”

means the Participant's benefit described in Article IV of this Plan.

“Retirement Plan”

means the BD Retirement Plan, as it may be amended and restated from time to time.

“Retirement Plan Participating Employer”

means the Company or a member of the Group that has (i) adopted the Retirement Plan as of, or after, January 1, 2018 or (ii) adopted the Employees' Retirement Plan of C. R. Bard, Inc. as of, or after, January 1, 2019.

“Separation from Service”

means a termination of employment or other separation from service from the Company as described in Code Section 409A and the regulations thereunder.

“Specified Employee”

means a person identified in accordance with procedures adopted by the Committee that reflect the requirements of Code Section 409A(a)(2)(B) (i) and applicable guidance thereunder.

“Spouse”

means the individual to whom the Participant is legally married on the date of death or other benefit commencement.

“Stock Award Plan”

means the Becton, Dickinson and Company Stock Award Plan as the same may be amended from time to time.

“Stock Trust”

means the Becton, Dickinson and Company Deferred Salary and Bonus Trust established as of August 15, 1996 between the Company and Wachovia Bank of North Carolina, N.A., as amended from time to time thereafter.

“Total Eligible Compensation”

means the base salary or wages and bonus otherwise taken into account under the 401(k) Plan, determined in accordance with the provisions of such plan, but without regard to the limitation on compensation otherwise required under Code Section 401(a)(17), and without regard to any deferrals of the foregoing of compensation under this or any other plan of deferred compensation maintained by the Company; provided, however, that Total Eligible Compensation for a Plan Year shall not exceed three (3) times the dollar limit otherwise in effect for such Plan Year under Code Section 401(a)(17).

ARTICLE II.

Eligibility and Participation

Eligibility.

- (a) Only “Eligible Employees” and “Eligible Non-Pension Employees” who meet the conditions of this Article II shall be eligible to become a Participant in this Plan.
- (b) Unless the Committee determines otherwise, any employee of the Company (or any subsidiary or affiliate of the Company) who participates in the Retirement Plan and whose benefits under the Retirement Plan are limited pursuant to the provisions included in the Retirement Plan in order to comply with Code Sections 401(a)(17) or 415, shall be an Eligible Employee with respect to benefits payable under Article IV and Section 3.7 (*i.e.*, eligibility for the restoration portion of the Plan). Notwithstanding the foregoing, effective January 1, 2018, Eligible Non-Pension Employees will not be eligible to accrue Restoration Plan Benefits with respect to periods of employment during which the Eligible Non-Pension Employees are eligible to receive 401(k) Plan Non-Elective Contributions (including any waiting periods to receive 401(k) Plan Non-Elective Contributions).
- (c) An “Eligible Employee” for purposes of Sections 3.1, 3.2, 3.3, 3.4, and 3.5 (*i.e.*, eligibility for the deferred compensation portion of the Plan) is an individual who meets the following requirements:
 - (i) the individual is a common law employee of a unit of the Company (or of one of its subsidiaries) to which the Plan has been adopted pursuant to a decision by, or with the approval of, the Board of Directors;
 - (ii) the individual is not a nonresident alien of the United States receiving no United States source income within the meaning of Sections 861(a)(3) or 911(d)(2) of the Code; and
 - (iii) the employee has annualized Base Salary of \$210,000 or more (indexed annually by the same amount as the compensation limit under Code Section 401(a)(17)) for the calendar year in which the Deferral Election is required to be made.
- (d) An “Eligible Non-Pension Employee” for purposes of Section 3.6 (*i.e.*, eligibility for the Company Non-Elective Credits under the Plan) is an individual who meets the requirements set forth in Section 2.1(c) and who is eligible to receive 401(k) Plan Non-Elective Contributions.
- (e) The Committee shall have the ability to adjust, prospectively for any Plan Year, the dollar limitation in Section 2.1(c)(iii). The Committee may also:

- (i) designate as ineligible particular individuals, groups of individuals or employees of business units who otherwise would be eligible under Sections 2.1(a), (b), (c) or (d); or
- (ii) designate as eligible particular individuals, groups of individuals or employees of business units who otherwise would be ineligible under Sections 2.1(a), (b), (c) or (d);

provided, however, that any such designations shall be made in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance thereunder to avoid adverse tax consequences to affected Participants.

- (f) An employee who, at any time, ceases to meet the foregoing eligibility requirements, as determined in the sole discretion of the Committee, shall thereafter cease to be a Participant eligible to continue making deferrals under the Plan, effective as of the first day of the Plan Year coincident with or next following the date of such cessation of eligibility in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance issued thereunder to avoid adverse tax consequences to affected Participants, and any deferral elections then in effect shall cease to be effective as of the first day of such Plan Year. In such case, the individual may remain a Participant in the Plan with respect to amounts already deferred prior to the date such individual ceased to be an active Participant.

Participation.

- (a) General Rule. An Eligible Employee or Eligible Non-Pension Employee shall become an active Participant in the Plan at the earliest time that the Eligible Employee or Eligible Non-Pension Employee: (i) makes a timely Deferral Election pursuant to Subsections (b) and (c) herein; (ii) meets the requirements under Subsection (d) with respect to eligibility for a Restoration Plan Benefit; or (iii) meets the requirements under Subsection (e) with respect to eligibility for a Company Non-Elective Credit.
- (b) Deferral Election. As soon as practicable after the Committee determines that an individual is an Eligible Employee, the Committee shall provide the Eligible Employee with the appropriate election forms with which to make a Deferral Election. The Eligible Employee shall make the Deferral Election in the manner set forth in Subsection (c) herein and within the time periods set forth in Article III. In the case of an employee who first becomes an Eligible Employee under this Plan (and is not eligible for any other plan with which this Plan is aggregated for purposes of Code Section 409A) during a Plan Year, such Deferral Election may be made within the first thirty (30) days of eligibility with respect to any Base Salary to be

earned thereafter for the remainder of the Plan Year. In the case of an employee who first becomes an Eligible Employee under this Plan (and is not eligible for any other plan with which this Plan is aggregated for purposes of Code Section 409A) during a Plan Year, such Deferral Election within the first thirty (30) days of eligibility may also be made with respect to any Equity-Based Compensation awarded or granted at the time of hire and to be earned after the date of the Deferral Election. If the Participant does not return the completed forms to the Committee at such time as required by the Committee, the Participant will not be allowed to participate in the Plan until the next Annual Open Enrollment Period. All Deferral Elections hereunder (including any modifications of prior Deferral Elections otherwise permitted under the Plan) may be made in accordance with written, electronic or telephonic procedures prescribed by the Committee.

- (c) Contents of Deferral Election. A Participant's Deferral Election must be made in the manner designated by the Committee and must be accompanied by:
- (i) any election to defer Base Salary and/or Bonus;
 - (ii) any election to defer Equity-Based Compensation and a deferral period election with respect to Equity-Based Compensation, as determined by the Committee;
 - (iii) any election to defer payment of Restoration Plan Benefits (if applicable) and any Company Discretionary Credits and a separate deferral period election with respect to each such separate category of deferral;
 - (iv) an Investment Election (except with respect to an Equity-Based Compensation Election, which shall automatically be credited to a Deferred Stock Account for investment return purposes), in accordance with the provisions of Article V;
 - (v) a designation of a Beneficiary or Beneficiaries to receive any deferred amounts owed upon the Participant's death;
 - (vi) subject to Section 2.2(c)(i), a designation as to the form of distribution for each separate year's deferral and each separate category of deferral (Company Matching Credit deferrals will be subject to the Participant's distribution option elections with respect to Base Salary provided, however, that if the Participant does not make a Base Salary election but does make a Bonus deferral election, then the Participant's Company Matching Credit deferrals will be subject to the Participant's distribution option

elections with respect to Bonus); provided, however, that if no specific election is made with respect to any deferred amount, the Participant will be deemed to have elected to receive such amounts in the form of a lump sum distribution (in cash and, solely to the extent distributable amounts are credited to the Participant's Deferred Stock Account at the time of the distribution, shares of Common Stock);

- (vii) an application for a policy of life insurance under which the Participant is the insured and the Company is the sole owner of and beneficiary under such policy; and
- (viii) such additional information as the Committee deems necessary or appropriate.
- (d) Unless the Committee determines otherwise or unless otherwise provided in an Agreement, if any, an Eligible Employee who participates in the Retirement Plan and whose benefits under the Retirement Plan are limited pursuant to the provisions included in the Retirement Plan in order to comply with Code Sections 401(a)(17) or 415, shall automatically become a Participant in this Plan with respect to benefits payable under Article IV. Notwithstanding the foregoing, Eligible Non-Pension Employees will not be eligible to accrue Restoration Plan Benefits with respect to periods of employment during which the Eligible Non-Pension Employees are eligible to receive 401(k) Plan Non-Elective Contributions (including any waiting periods to receive 401(k) Plan Non-Elective Contributions).
- (e) Unless the Committee determines otherwise or unless otherwise provided in an Agreement, if any, an Eligible Non-Pension Employee shall automatically become a Participant in this Plan upon an allocation of Company Non-Elective Credits under Section 3.6 to his or her Company Non-Elective Credit Account.
- (f) The participation of any Participant may be suspended or terminated by the Committee at any time, but no such suspension or termination shall operate to reduce any benefits accrued by the Participant under the Plan prior to the date of suspension or termination and, further, any such suspension or termination may only be done in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance issued thereunder to avoid adverse tax consequences to affected Participants.

ARTICLE III.

Deferral Elections and Deferral Periods

Deferred Salary Election.

- (a) Each Participant who has elected to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the 401(k) Plan and under Code Section 402(g) may make a Deferred Salary Election with respect to Base Salary otherwise to be paid in such calendar year. A Participant may elect to defer from 1% to 75% of the Participant's Base Salary (in increments of 1%). Notwithstanding the foregoing, any Deferred Salary Election must be made in a manner that will ensure that the Participant is paid a sufficient amount of Base Salary that will allow adequate amounts available for (i) any pre-tax elective deferrals under the 401(k) Plan, and (ii) any amounts to be deferred by the Participant in order to participate in any other benefit programs maintained by the Company.
- (b) Except with respect to Deferred Salary Elections made by Participants who first become eligible to participate during a Plan Year (which elections must be made as specified in Section 2.2(b)), a Deferred Salary Election with respect to Base Salary for a particular calendar year must be made during the time period specified by the Committee, but in no event later than the December 31 preceding the commencement of that calendar year or at such earlier time as determined by the Committee. Once a Deferred Salary Election is made, it shall be irrevocable after the final deadline established by the Committee for making the election. Such Deferred Salary shall be credited to the Participant's Deferred Salary Account as of the first business day after the last day of each payroll period.

Deferred Bonus Election.

- (a) Each Participant who agrees to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the 401(k) Plan and under Code Section 402(g) may elect to make a Deferred Bonus Election with respect to a Bonus otherwise to be paid in the calendar year immediately following (or, in the discretion of the Committee, in a later year following) the year of the Participant's Deferred Bonus Election. A Participant may elect to defer from 1% to 100% of the Participant's Bonus (in increments of 1%); provided, however, that the Participant's Deferred Bonus Election must result in a deferral of at least \$5,000. In the event that Participant's Deferred Bonus Election does not result in a deferral of at least \$5,000 but the Participant's Bonus is at least \$5,000, such Participant's Deferred Bonus Election shall be automatically increased to the percentage that results in a deferral of \$5,000. In the event that the Participant's Bonus is less than \$5,000, such Participant's Deferred Bonus Election shall be void.

- (b) A Deferred Bonus Election with respect to any Bonus to be earned during a Fiscal Year must be made no later than the date that is six months before the end of the performance period (which performance period shall not be less than twelve months) or such other earlier date designated by the Committee. Once made, a Deferred Bonus Election cannot be changed or revoked after the final deadline established by the Committee for making the election, except as provided herein. Such Deferred Bonus shall be credited to the Participant's Deferred Bonus Account as of the first business day in January of the year that the Bonus otherwise would have been paid to the Participant in the absence of any deferral hereunder.

Deferred Equity-Based Compensation Election.

- (a) To the extent permitted by law on a tax deferred basis, each Participant may elect to make a Deferred Equity-Based Compensation Election with respect to Equity-Based Compensation otherwise to be granted in the calendar year immediately following (or, in the discretion of the Committee, in a later year following) the year of the Participant's Deferred Equity-Based Compensation Election. A Participant may elect to defer his or her Equity-Based Compensation, and may make separate elections with respect to each of the Participant's Restricted Stock Units, Performance Units, Other Stock-Based Awards, and awards under the Stock Award Plan, provided, however, that, the Participant's Equity-Based Compensation for each type of Equity-Based Compensation must result in a deferral of at least 25% of such type of Equity-Based Compensation.
- (b) Except with respect to Deferred Equity-Based Compensation Elections made by Participants who first become eligible to participate during a Plan Year (which elections must be made as specified in Section 2.2(b)), a Deferred Equity-Based Compensation Election with respect to any Equity-Based Compensation to be granted in a particular calendar year must be made during the time period specified by the Committee, but in no event later than the December 31 preceding the commencement of that calendar year or at such earlier time as determined by the Committee. Notwithstanding the foregoing, with respect to a Deferred Equity-Based Compensation Election governing Restricted Stock Units that are designated as performance-based compensation by the Company and that qualify as performance-based compensation under Code Section 409A and any guidance thereunder, such Deferred Equity-Based Compensation Election must be made no later than the date that is six months before the end of the performance period (which performance period shall not be less than twelve months) or such other earlier date designated by the Company, provided, however, that to be eligible to make any such Deferred Equity-Based Compensation Election the Participant must have provided services to the Company (or one of its subsidiaries) from the later of the date the

performance period starts or the date the performance criteria are established through the date the Deferred Equity-Based Compensation Election is made. Once made, a Deferred Equity-Based Compensation Election cannot be changed or revoked after the final deadline established by the Committee for making the election, except as provided herein. Such Deferred Equity-Based Compensation shall be credited to the Participant's Deferred Equity-Based Compensation Account as soon as practicable after the Equity-Based Compensation otherwise would vest and be paid, and will be credited for investment tracking purposes to the Participant's Deferred Stock Account under Section 5.3(b).

Company Matching Credits.

- (a) Effective for deferrals made on or after January 1, 2016, if a Participant has made a Deferred Salary Election in accordance with Section 3.1 or a Deferred Bonus Election in accordance with Section 3.2, then the Participant shall be eligible to have Company Matching Credits credited to the Participant's Company Matching Credit Account in accordance with Section 3.4(b). The maximum potential Company Matching Credits for a Participant under this Plan for a Plan Year shall equal the difference between 4.5% of Total Eligible Compensation minus the maximum Company matching contribution available to the Participant under the BD 401(k) Plan. That potential maximum amount shall be credited to a Participant's Company Matching Credit Account only if the Participant has deferred at least 6% of Total Eligible Compensation, taking into account deferrals under this Plan and pre-tax elective deferrals under the BD 401(k) Plan (other than catch-up contributions). If a Participant has deferred less than 6% of Total Eligible Compensation, taking into account deferrals under this Plan and pre-tax elective deferrals under the BD 401(k) Plan (other than catch-up contributions), then the actual Company Matching Credits to be credited to a Participant's Company Matching Credit Account shall equal 75% of the total of the Participant's Deferred Salary and Deferred Bonus under this Plan plus the Participant's pre-tax elective deferrals under the BD 401(k) Plan (other than catch-up contributions), less the matching contribution to which the Participant is entitled under the BD 401(k) Plan.

Notwithstanding any provision of the Plan to the contrary, the Company shall not make any Company Matching Credits to the Plan under this Section 3.4 with respect to a Participant's Deferred Salary Election in accordance with Section 3.2 or Deferred Bonus Election in accordance with Section 3.4(b) for payroll periods paid on or after May 1, 2020 through the end of the 2020 Plan Year.

- (b) Company Matching Credits under Section 3.4(a) shall be credited to the Participant's Company Matching Credit Account as soon as practicable as determined by the Committee after such deferral is credited to the Participant's Deferred Salary Account and/or Deferred Bonus Account, but in no event less frequently than on an annual basis, and shall be subject to the overall Plan Year limit on such amounts described in Section 3.4(a) and the vesting schedule described in Article V.

Company Discretionary Credits.

The Company may, in its sole discretion, provide for additional credits to all or some Participants' Accounts at any time. Such amounts shall be credited to the Participant's Company Discretionary Credit Account and shall be subject to the vesting schedule established by the Company at the time such amounts are credited.

Company Non-Elective Credits.

Effective January 1, 2018, each Eligible Non-Pension Employee shall receive a Company Non-Elective Credit credited to the Participant's Company Non-Elective Credit Account for each Plan Year if the Eligible Non-Pension Employee is employed by a Retirement Plan Participating Employer on the Company's last business day of such Plan Year, unless not employed on such date due to death, Disability, or retirement from active employment (within the meaning of Section 6.1(a)(i) and (ii)).

- (a) The Company Non-Elective Credit shall equal:
- (i) 3% of the Participant's Total Eligible Compensation attributable to the portion of the Plan Year during which the Participant qualified as a Non-Pension Employee for such Plan Year; minus
 - (ii) The amount of the Participant's 401(k) Plan Non-Elective Contributions for such Plan Year.¹
- (b) Company Non-Elective Credits under Section 3.6(a) shall be credited to the Participant's Company Non-Elective Credit Account as soon as practicable after the end of the Plan Year to which the Company Non-Elective Credit relates, and shall be subject to the vesting schedule described in Article V.

Deferred Restoration Distribution Election.

¹ The calculation of the Non-Elective Credits under this Plan is based on the rationale set forth in Treas. Reg. § 1.409A-2(a)(9).

- (a) General Rule. Each Participant who is eligible to receive a Restoration Plan Benefit under the Plan may elect, in accordance with this Section 3.7, to make a Deferred Restoration Distribution Election with respect to a Restoration Plan Benefit that is otherwise to be paid to the Participant. If a Participant makes such an election, the Participant must elect to defer 100% of the value of the Participant's applicable Restoration Plan Benefit. To the extent a Participant's Restoration Plan Benefit is attributable to the final average pay benefit formula under the Retirement Plan and not described in Section 4.4(b)(i)(D), the value of such Restoration Plan Benefit shall equal the actuarial present value (at the time payment becomes due) of the portion of the Participant's (or Beneficiary's) Restoration Plan Benefit based on the final average pay formula, determined as of normal retirement age under the Retirement Plan, based on the Applicable Interest Rate and the Applicable Mortality Table (as such terms are defined in the Retirement Plan) used under the Retirement Plan for calculating present value. To the extent a Participant's Restoration Plan Benefit is attributable to the cash balance benefit formula under the Retirement Plan or is otherwise described in Section 4.4(b)(i)(D) below, the value of such Restoration Plan Benefit shall equal the Participant's Restoration Plan Benefit hypothetical account balance at such time. Once deferred, such amounts shall be credited to the Participant's Deferred Restoration Distribution Account as provided for in Article V. Amounts held in a Deferred Restoration Distribution Account may not be paid in the form of an annuity and may only be paid in a form otherwise available to amounts credited to a Deferred Salary Account, as provided for in Article VI.
- (b) Grandfathered Restoration Plan Benefit. With respect to amounts equal to a Participant's Grandfathered Restoration Plan Benefit, a Deferred Restoration Distribution Election with respect to any amounts payable during a particular calendar year must be made at least one year before the date that the Grandfathered Restoration Plan Benefit is otherwise payable to the Participant pursuant to Section 4.4. Once made, such a Deferred Restoration Distribution Election cannot be changed or revoked except as provided herein. If the Participant otherwise becomes entitled to a distribution of a Restoration Plan Benefit after having made such an election and before the end of such one-year period, such election shall be ineffective and the applicable Restoration Plan Benefit payment shall not be deferred hereunder. Any such Deferred Restoration Distribution shall be credited to the Participant's Deferred Restoration Distribution Account as soon as practicable after such amount would otherwise have been payable to the Participant. The amount in the Participant's Deferred Restoration Distribution Account attributable to the Participant's Grandfathered Restoration Plan Benefit shall be payable under this Plan as follows:

- (i) If the Participant has otherwise made a Deferred Salary Election under Section 3.1 for the year that the Participant made a Deferred Restoration Distribution Election, the amount credited to the Participant's Deferred Restoration Distribution Account shall be payable at the same time and in the same form of distribution as any such Deferred Salary.
 - (ii) If the Participant has not made a Deferred Salary Election but has otherwise made a Deferred Bonus Election under Section 3.2 for the year that the Participant made a Deferred Restoration Distribution Election, the amount credited to the Participant's Deferred Restoration Distribution Account shall be payable at the same time and in the same form of distribution as any such Deferred Bonus.
 - (iii) If the Participant has not made a Deferred Salary Election under Section 3.1 nor a Deferred Bonus Election under Section 3.2 for the year that the Participant made a Deferred Restoration Distribution Election, the amount credited to the Participant's Deferred Restoration Distribution Account equal to a Participant's Grandfathered Restoration Plan Benefit shall be payable in the form of a single lump sum payment at the Participant's termination of employment unless the Participant makes an election to change the time and form of payment of such amount in accordance with the terms of this Plan.
- (c) Non-Grandfathered Restoration Plan Benefit. A Participant's Deferred Restoration Distribution Election with respect to amounts in excess of a Participant's Grandfathered Restoration Plan Benefit payable during a particular calendar year must specify the time and form of payment otherwise the Participant's Deferred Restoration Plan Benefit shall be payable in the form of a single lump sum payment at the Participant's termination of employment. In addition, such Deferred Restoration Distribution Election shall not be effective unless the following requirements are met:
- (i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;
 - (ii) except for payments made on account of a Participant's death, the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;

- (iii) any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and
- (iv) any such additional deferral election shall not be effective if it would otherwise result in deferring amounts later than the mandatory distribution provisions of Article VI.

Deferral Period.

- (a) In accordance with Section 2.2(b), and subject to the limitation of Section 3.8(b), each Participant must elect the deferral period for each separate category of deferral (including, effective for deferral elections made on or after January 1, 2005, any Restoration Plan Benefit or part thereof credited to a Participant's Deferred Restoration Distribution Account). Subject to the additional deferral provisions of Section 3.9 and the acceleration provisions of Article VI, a Participant's deferral period with respect to amounts deferred other than those described in Section 3.8(b) may be for a specified number of years or until a specified date, subject to any limitations that the Committee in its discretion may choose to apply (which limitations shall comply with the requirements for tax deferral under Code Section 409A), provided that, in all events, a deferral period must be for at least two (2) years from the first day of the Plan Year in which the deferred amounts would otherwise be payable (or, in the case of amounts described in Section 3.4, credited to the Participant's Account). However, notwithstanding the deferral period otherwise specified, payments shall be paid or begin to be paid under the Plan in accordance with the mandatory distribution provisions in Article VI and any election which would otherwise result in a deferral beyond any applicable mandatory distribution age is invalid.
- (b) Notwithstanding the provisions of Section 3.8(a) and Section 2.2(b), and subject to Section 6.1(f), all Company Matching Credits credited to a Participant's Company Matching Credit Account pursuant to Section 3.4 shall be deferred until the Participant's Separation from Service and may not be deferred to a specified date prior to such Participant's Separation from Service. The foregoing notwithstanding, in any case where the Participant is a Specified Employee, payment of the amounts under this Section 3.8(b) on account of the Participant's Separation from Service shall be deferred until as soon as practicable after the earlier of (i) the first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that

date), or (ii) the date of the Participant's death, subject to any permitted further deferral election on account of a change in form of payment.

Modification of Deferral Period.

- (a) Additional Deferral – Grandfathered Deferrals. With respect to any previously deferred Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit credited to a Participant's Accounts, a Participant may request that the Committee approve an additional deferral period of at least two (2) years from the date the previously deferred amounts were otherwise payable. Any such request must be made by written notice to the Committee at least twelve (12) months before the expiration of the deferral period for any previously deferred amount with respect to which an additional deferral election is requested. A separate additional deferral election is required to be made for each separate category of previously deferred amounts that is treated as subject to a single deferral period election under Section 2.2(b) above. Each such additional deferral election request shall include a newly designated manner of payment election in accordance with the provisions of Section 6.2 below. No more than two such extensions may be elected by a Participant with respect to any specific deferred amount and no such additional deferral may result in amounts deferred beyond the mandatory distribution provisions of Article VI.
- (b) Additional Deferral – Non-Grandfathered Deferrals. With respect to any deferred amounts credited to a Participant's Accounts in excess of a Participant's Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit an additional deferral election otherwise described in Section 3.9(a) may be made, provided that such election shall not be effective unless the following requirements are met:
 - (i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;
 - (ii) except for payments made on account of a Participant's death or financial hardship under Section 6.1(f), the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;
 - (iii) any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months

prior to the date on which such payments would otherwise have commenced; and

- (iv) any such additional deferral election shall not be effective if it would otherwise result in deferring amounts later than the mandatory distribution age provisions of Article VI.

- (c) Accelerated Distribution For Grandfathered Deferrals. With respect to any Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit credited to a Participant's Accounts, a Participant may request that the Committee approve an accelerated deferral date with respect to amounts that are not otherwise payable for at least three (3) years from the date of such request, provided that the resulting accelerated deferral date may not be any earlier than two (2) years from the date of such Participant election. A separate deferral modification election is required to be made for each separate category of previously deferred amount that is treated as subject to a single deferral period election under Section 2.2(b) above. Each such modified deferral period request shall include a newly designated manner of payment election in accordance with the provisions of Section 6.2 below. No more than two such modifications may be elected by a Participant with respect to any specific deferred amount. No such election may be made with respect to any amounts deferred under this Plan in excess of any Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit credited to a Participant's Accounts.

ARTICLE IV.

Restoration Benefits

Amount of Restoration Plan Benefit.

- (a) A Participant's Restoration Plan Benefit hereunder shall equal the excess (if any) of (i) the benefit that would have been payable under the Retirement Plan in respect of the Participant in the absence of the provisions included in the Retirement Plan in order to comply with Sections 401(a)(17) and 415 of the Code, over (ii) the benefit actually payable in respect of the Participant under the Retirement Plan. Notwithstanding the foregoing, effective January 1, 2018, no Participants will be eligible to accrue Restoration Plan Benefits with respect to periods of employment during which the Participants are eligible to receive 401(k) Plan Non-Elective Contributions (including any waiting periods to receive 401(k) Plan Non-Elective Contributions).

- (b) Effective as of January 1, 2005, for purposes of calculating a Participant's Restoration Plan Benefit under Section 4.1(a), if, as determined by the Committee in its sole discretion, a Participant (i) permanently directly transferred employment from a foreign affiliate of the Company that has not adopted the Retirement Plan and this Plan to a member of the Group (as defined in the Retirement Plan) that has adopted the Retirement Plan and this Plan or to a Unit (as defined in the Retirement Plan) to which participation in the Retirement Plan and this Plan has been extended, and (ii) while employed by the foreign affiliate, had what the Committee determines (in its sole discretion) to be an agreement with such foreign affiliate to provide for deferred compensation that recognized the Participant's period of employment by the foreign affiliate and compensation paid to the Participant by the foreign affiliate, then the Participant's period of employment by the foreign affiliate and compensation paid to the Participant by the foreign affiliate during the Participant's period of employment with the foreign affiliate shall be taken into account solely under this Plan to the same extent that such period of employment and compensation would have otherwise been taken into account had it been employment with and compensation paid by the Company, a member of the Group that has adopted the Retirement Plan and this Plan, or a Unit to which participation in the Retirement Plan and this Plan has been extended. In addition, any such Participant's Restoration Plan Benefit shall be offset, solely to the extent permitted under Code Section 409A, for (i) any Social Security or other governmental pension or retirement benefit earned during the Participant's period of employment with the foreign affiliate; and (ii) any retirement benefit the Participant is entitled to under a foreign based retirement plan sponsored by the Company or member of the Group.

Pre-Retirement Restoration Death Benefit.

In the event of the death of a Participant before Restoration Plan Benefits have commenced to be paid hereunder (a pre-retirement death), the Participant's Beneficiary shall be entitled to a benefit equal to the excess (if any) of (i) the benefit that would have been payable under the Retirement Plan to the Beneficiary on account of the Participant's death in the absence of the provisions included in the Retirement Plan in order to comply with Sections 401(a)(17) and 415 of the Code (and taking into account service and compensation described in Section 4.1(b)), over (ii) the benefit actually payable to the Beneficiary on account of the Participant's death under the Retirement Plan. Such benefit is hereinafter referred to as a "Restoration Plan Death Benefit." Subject to Section 4.5, and notwithstanding the provisions of Section 4.4 (and any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, the Restoration Plan Death Benefit payable to a Beneficiary on account of a Participant's death before Restoration Plan Benefits have been paid or commenced to be paid hereunder (a pre-retirement death) shall be paid to the Participant's Beneficiary in a cash lump sum as soon as practicable following the earliest date that any such pre-retirement death benefit would otherwise be payable to such Beneficiary under the Retirement Plan (whether or not such Retirement Plan benefit is actually paid or commenced at such date).

Early Retirement Adjustments.

The calculations made in Sections 4.1 and 4.2 shall reflect any applicable adjustments under the Retirement Plan for early commencement and the form of benefit elected.

Payment of Restoration Plan Benefits.

- (a) Grandfathered Restoration Plan Benefit. Subject to Section 4.5, the further provisions of this Article IV, and a Participant's Agreement, if any, and unless deferred under Section 3.7, a Participant's Grandfathered Restoration Plan Benefit shall be paid to a Participant at such time and in such form as determined in accordance with procedures adopted and approved by the Compensation and Benefits Committee of the Board of Directors of the Company (or any committee successor thereto), which procedures were in effect as of October 3, 2004. A copy of such procedures is attached hereto as Attachment A.

- (b) Non-Grandfathered Restoration Plan Benefit.² Except as otherwise provided herein, or otherwise provided in a Participant's Agreement, if any, and unless deferred under Section 3.7, Restoration Plan Benefit amounts in excess of the Grandfathered Restoration Plan Benefit shall be payable to a Participant as follows:
- (i) Normal Form of Payment. A Participant's vested Restoration Plan Benefit shall be paid in the "Normal Form of Payment," which is a single lump sum payment determined as follows:
- (1) FAP Participant. With respect to a Participant whose Restoration Plan Benefit is determined using the final average pay formula under the Retirement Plan, the Normal Form of Payment shall be a single lump sum payment that shall equal the actuarial present value (at the time payment becomes due) of the Participant's Restoration Plan Benefit based on the final average pay formula, determined as of normal retirement age under the Retirement Plan, based on the Applicable Interest Rate and the Applicable Mortality Table (as such terms are defined in the Retirement Plan) used under the Retirement Plan for calculating present values.
 - (2) Cash Balance Participant. With respect to a Participant whose Restoration Plan Benefit is determined using the cash balance formula under the Retirement Plan, the Normal Form of Payment shall be a single lump sum payment equal to the Participant's Restoration Plan Benefit (at the time payment becomes due) determined in accordance with Section 4.1, expressed as an account balance benefit.
 - (3) FAP and Cash Balance Participant. For a Participant whose Restoration Plan Benefit is determined using both

² By way of reference, the Retirement Plan was amended effective April 1, 2007 to add a cash balance formula for determining the benefits available under the Retirement Plan. Pursuant to the terms of the Retirement Plan, the cash balance formula is used to determine the benefits of participants who were hired by the Company on or after April 1, 2007 as well as those participants who were actively participating in the Retirement Plan on that date and who affirmatively elected to be covered under the cash balance provisions of the Plan. The benefits of participants who were active prior to April 1, 2007 and who did not elect cash balance coverage are determined under the Retirement Plan's final average pay formula. If any such participant terminates and is subsequently reemployed, that participant's benefit for service performed after reemployment will be determined under the cash balance provisions of the Retirement Plan, whereas his benefit attributable to his prior employment will be determined under the final average pay provisions of the Retirement Plan. Consistent with Section 409A and the guidance issued thereunder, and as confirmed in Q&A 39 of the ABA Section of Taxation's 2008 IRS Q&A Report, this Plan provides different time and form of payment with respect to separately identifiable amounts attributable to Restoration Plan Benefits calculated using the cash balance formula versus those calculated using the final average pay formula.

the final average pay formula and the cash balance formula under the Retirement Plan, the Normal Form of Payment with respect to the portion of the Participant's Restoration Plan Benefit calculated using the final average pay formula under the Retirement Plan shall be as described in subparagraph (A) and the Normal Form of Payment with respect to the portion of the Participant's Restoration Plan Benefit calculated using the cash balance formula under the Retirement Plan shall be as described in subparagraph (B) above.

(D) Cash Balance Conversion Participant. For a Participant whose benefit under the Retirement Plan is converted on or after January 1, 2013 from being calculated using the final average pay formula under the Retirement Plan to being calculated using the cash balance formula under the Retirement Plan, the Normal Form of Payment for the Participant's entire Restoration Plan Benefit shall be as described in subparagraph (B) above.

(ii) Timing of Payment. A Participant's vested Restoration Plan Benefit shall be paid or commence to be paid in the Normal Form of Payment as follows:

- (1) FAP Participant. Subject to subparagraph (E) below, to the extent that a Participant's Restoration Plan Benefit is determined using the final average pay formula under the Retirement Plan, amounts shall commence to be paid as soon as practicable after the later of (I) the Participant's Separation from Service or (II) the earliest date on which the Participant first becomes eligible to receive or commence receiving benefits under the Retirement Plan after Separation from Service (i.e., the earlier of attainment of age 55 with 10 years of service as determined under the Retirement Plan or age 65) regardless of the time benefits are actually paid or commence to be paid under the Retirement Plan.
- (2) Cash Balance Participant. Subject to subparagraph (E) below, if a Participant's Restoration Plan Benefit is determined using the cash balance formula under the Retirement Plan, amounts shall be paid as soon as practicable after the Participant's Separation from Service.
- (3) FAP and Cash Balance Participant. Subject to subparagraph (E) below, to the extent that a Participant's

Restoration Plan Benefit is determined using both the final average pay formula and the cash balance formula under the Retirement Plan, payment shall commence with respect to the portion of the Participant's Restoration Plan Benefit calculated using the final average pay formula under the Retirement Plan on the date described in subparagraph (A) above and payment shall commence with respect to the portion of the Participant's Restoration Plan Benefit calculated using the cash balance formula under the Retirement Plan on the date described in subparagraph (B) above.

- (4) Cash Balance Conversion Participant. Subject to subparagraph (E) below, in the case of a Participant whose benefit under the Retirement Plan is converted on or after January 1, 2013 from being calculated using the final average pay formula under the Retirement Plan to being calculated using the cash balance formula under the Retirement Plan, payment of such Participant's entire Restoration Plan Benefit shall commence on the date described in subparagraph (A) above.
- (5) Specified Employee. In any case where the Participant is a Specified Employee and the Participant's Restoration Plan Benefit in excess of the Participant's Grandfathered Restoration Plan Benefit is payable on account of the Specified Employee's Separation from Service, the Participant's Restoration Plan Benefit under this Section shall be paid or commence to be paid as soon as practicable following the earlier of (I) or (II) where: (I) is the later of (A) the date otherwise provided under the Plan or (B) the first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date); and (II) is the date of the Participant's death.

- (iii) The Participant's ability to elect an alternate form of distribution other than the Normal Form of Payment is described in Section 6.2. The death benefits attributable to a Participant's Restoration Plan Benefit under the Plan in the event of the Participant's death after Restoration Plan Benefit payments have commenced, if any, will be determined pursuant to the terms of the form of payment elected by the Participant.

Payment of Restoration Plan Benefit Following Change in Control.

- (a) Grandfathered Restoration Plan Benefit. Notwithstanding the provisions of Section 4.4 (and any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, each Participant's Grandfathered Restoration Plan Benefit shall (to the extent not previously paid or commenced to be paid) be paid to the Participant in a cash lump sum as soon as practicable, but not later than 45 business days, after a Participant's termination of employment following a Change in Control.
- (b) Non-Grandfathered Restoration Plan Benefit – FAP Participant and Cash Balance Conversion Participant. Notwithstanding the provisions of Sections 4.4(b)(ii)(A), 4.4(b)(ii)(C) and 4.4(b)(ii)(D) (and any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, to the extent that a Participant's Restoration Plan Benefit that is determined using the final average pay formula under the Retirement Plan or is otherwise described in Section 4.4(b)(i)(D) and that is in excess of his Grandfathered Restoration Plan Benefit, if any, shall (to the extent not previously paid or commenced to be paid) be paid to the Participant in a cash lump sum as soon as practicable, but not later than 45 business days, after the Participant's Separation from Service following a Change in Control; provided, however, that such a distribution shall only be made if: (i) the Change in Control satisfies the requirements of Code Section 409A(a)(2)(A)(v) (and the guidance issued thereunder) and such Separation from Service occurs within 2 years of the Change in Control; or (ii) distribution may otherwise be made under this Plan on account of Separation from Service.
- (c) Specified Employee. In any case where the Participant is a Specified Employee and the Participant's Restoration Plan Benefit in excess of the Participant's Grandfathered Restoration Plan Benefit is payable pursuant to Section 4.5(b) on account of the Specified Employee's Separation from Service within 2 years of a qualified Change in Control, payment of the Participant's Restoration Plan Benefit under this Section shall be deferred until the earlier of (i) first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date), or (ii) the date of the Participant's death.

Restoration Plan Benefit on Account of Disability Retirement.

- (a) Grandfathered Restoration Plan Benefit. Notwithstanding the provisions of Section 4.4 (and in accordance with any procedures adopted thereunder), and unless provided otherwise in a Participant's Agreement, if any, a Participant who terminates employment on account of a Disability Retirement (as determined under the Retirement Plan) may make a written request to the Committee to receive payment of his

Grandfathered Restoration Plan Benefit in a single lump sum as soon as practicable thereafter; provided however, that payment to a Participant under this Section 4.6 shall only be made if the Committee, in its sole and absolute discretion, determines to make such payment. Any decision by the Committee hereunder shall be final and binding. If a Participant's request is denied, payment of the Participant's Plan benefits shall be made in accordance with the otherwise applicable provisions of the Plan (and any procedures then in effect).

- (b) Non-Grandfathered Restoration Plan Benefit. Notwithstanding anything in the Plan to the contrary, if a Participant suffers a Disability and becomes Disabled, that portion of the Participant's Restoration Plan Benefit in excess of the Grandfathered Restoration Plan Benefit shall be paid on account of Disability in the form of a single lump sum cash payment as soon as practicable following the later of (i) the date the Participant attains age 65; or (ii) the date of the Participant's Disability. The amount of any such lump sum payment in respect of a Disabled Participant hereunder whose Restoration Plan Benefit is determined using the final average pay formula under the Retirement Plan shall equal the actuarial present value of the Participant's vested Restoration Plan Benefit determined as of the date such benefit payment becomes due hereunder, based on the Applicable Interest Rate and the Applicable Mortality Table (as such terms are defined in the Retirement Plan) used under the Retirement Plan for calculating the present value of optional forms of payment at the time payment is due under the Plan. The amount of any such lump sum payment in respect of a Disabled Participant hereunder whose Restoration Plan Benefit is determined using the cash balance formula under the Retirement Plan or that is otherwise described in Section 4.4(b)(i)(D) shall be the Participant's Restoration Plan Benefit as of the date such benefit payment becomes due hereunder, determined in accordance with Section 4.1. If such a Participant dies or incurs a Separation from Service prior to the date of payment under this Section 4.6(b), payment shall be made in accordance with the otherwise applicable provisions of this Plan.

ARTICLE V.

Participants' Accounts

Crediting of Employee Deferrals and Company Matching, Discretionary and Non-Elective Credits.

Deferrals to this Plan that are made under Article III shall be credited to the Participant's Accounts in accordance with such rules established by the Committee from time to time. Each Participant's Accounts shall be administered in a way to permit separate Deferral Elections, deferral periods, and Investment Elections with respect to various Plan Year deferrals and compensation types as the Committee determines, in its sole discretion, are necessary or appropriate.

Investment Election.

- (a) Participants' Investment Elections with respect to deferred amounts hereunder shall be made pursuant to the written, telephonic or electronic methods prescribed by the Committee and subject to such rules on Investment Elections and Investment Options as established by the Committee from time to time. Upon receipt by the Committee, and in accordance with rules established by the Committee, an Investment Election shall be effective as soon as practicable after receipt and processing of the election by the Committee. Investment Elections will continue in effect until changed by the Participant. Subject to Section 5.3(b), an eligible Participant may change a prior Investment Election (or default Investment Election) with respect to deferred amounts on a daily basis, by notifying the Committee, at such time and in such manner as approved by the Committee. Any such changed Investment Election may result in amending Investment Elections for prior deferrals or for future deferrals or both.
- (b) For purposes of Company Non-Elective Credits, the most recent Investment Elections in effect for a Participant's Company Matching Credits (if any) that relate to the same Plan Year as the Company Non-Elective Credits as of the date the Company Non-Elective Credits are made will be used for such Company Non-Elective Credits and, in the absence of any Investment Elections, the Plan's default Investment Elections will be used for the Company Non-Elective Credits.

Hypothetical Earnings.

- (a) General. Subject to Section 5.2, except as otherwise provided herein, additional hypothetical bookkeeping amounts shall be credited to (or deducted from) a Participant's Accounts to reflect the earnings (or losses) that would have been experienced had the deferred amounts been invested in the Investment Options selected by the Participant as targeted rates of return, net of all fees and expenses otherwise associated with the Investment Options. The Committee may add or delete Investment Options, on a prospective basis, by notifying all Participants whose

Accounts are hypothetically invested in such Investment Options, in advance, and soliciting elections to transfer deferred amounts so that they track investments in other Investment Options then available.

(b) Company Stock Investment Option.

- (i) A Participant's Deferred Equity Compensation is automatically credited in the form of Common Stock to the Participant's Deferred Stock Account. With respect to other deferred amounts hereunder, instead of having deferred amounts credited with hypothetical earnings (or losses) in accordance with Section 5.3(a), and subject to Section 5.2, a Participant may elect to have part of the Participant's deferred amounts (in whole percentage increments) credited in the form of Common Stock to a Deferred Stock Account; provided, however, that a Participant may not make an election to have any future deferred amounts credited to a Deferred Stock Account if, at the time of the election, more than 10% of the balance of the Participant's deferred amounts are credited to a Deferred Stock Account (disregarding amounts in the Participant's Deferred Equity Compensation Account, if any). For purposes of administering this rule and subject to the Committee's right to adopt administrative procedures pursuant to Section 5.3(b)(viii) below, the following additional rules apply:
- (1) Any Investment Election that is in effect on January 1, 2010, that would require future deferred amounts to be credited to the Participant's Deferred Stock Account and that would otherwise violate the 10% limitation set forth above shall be void and of no effect. In the absence of a Participant's amending such Investment Election on or before January 1, 2010, pursuant to procedures implemented by the Committee, the Participant's future deferred amounts that would otherwise have been credited to the Deferred Stock Account will be hypothetically invested in another Investment Option selected by the Committee for this purpose.
 - (2) Any Investment Election made after January 1, 2010, that would otherwise violate the 10% limitation set forth above shall be void and of no effect. In the absence of a Participant amending such Investment Election or otherwise making a new Investment Election that complies with this Section 5.3(b)(i), the Participant's future deferred amounts that would otherwise have been credited to the Deferred Stock Account will be hypothetically invested in

another Investment Option selected by the Committee for this purpose.

- (ii) If the restrictions of Section 5.3(b)(i) do not apply (such that the Participant may otherwise elect to have deferred amounts credited to the Deferred Stock Account), in no event may a Participant make an Investment Election to have more than 10% of any future deferred amounts (disregarding Deferred Equity Compensation) credited to the Deferred Stock Account. Any Investment Election that would otherwise violate the provisions of this Section 5.3(b)(ii) shall be void and of no effect. In the absence of a Participant amending such Investment Election or otherwise making a new Investment Election that complies with this Section 5.3(b)(ii), the Participant's future deferred amounts that would otherwise have been credited to the Deferred Stock Account will be hypothetically invested in another Investment Option selected by the Committee for this purpose. Notwithstanding the foregoing, if any Investment Election otherwise in effect on January 1, 2010 would violate the limitations of this Section 5.3(b)(ii), then, in the absence of a Participant's amending that Investment Election on or before January 1, 2010, pursuant to procedures implemented by the Committee, the Participant's Investment Election will be modified so that the Investment Election is reduced so that 10% of future deferred amounts are credited to the Deferred Stock Account with the remaining deferred amounts hypothetically invested in another Investment Option selected by the Committee for this purpose.
- (iii) Elections under this Section 5.3(b) may be made as a part of the Participant's Deferral Election and thereafter on the same basis as Participants are permitted to make other Investment Elections and using the same or similar procedures as Participants use to make other Investment Elections under Section 5.2. In addition, any amounts credited to a Participant's Accounts other than the Participant's Deferred Stock Account may be transferred for hypothetical investment tracking purposes to the Participant's Deferred Stock Account; provided, however, that a Participant may not elect any such transfer that would increase the Participant's hypothetical investment in Common Stock credited to the Deferred Stock Account if, at the time of the election or as a result thereof, more than 10% of the Participant's Deferred Stock Account (excluding any Deferred Equity-Based Compensation) is or would be credited to the Participant's Deferred Stock Account. Any transfer election that violates the provisions of this Section 5.3(b)(iii) shall be void and of no effect. In all events, once amounts are credited to a Participant's Deferred Stock Account, no

Investment Election may cause amounts credited to a Participant's Deferred Stock Account to be transferred for hypothetical investment tracking purposes to a Participant's Accounts other than the Participant's Deferred Stock Account. All distributions of amounts credited to a Participant's Deferred Stock Account may only be distributed in whole shares of Common Stock (with cash for fractional shares).

- (iv) A Participant's Deferred Stock Account will be credited:
 - (1) as of the first business day after the last day of each bi-weekly payroll period, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the Participant's deferred amounts attributable to Deferred Salary for such bi-weekly payroll period subject to the Deferred Stock Election by the price for shares of Common Stock, determined by the Committee, as of the day such deferred amounts are credited to the Participant's Account; and
 - (2) annually, as of the first business day in January of each calendar year, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the portion of the Participant's Deferred Bonus and Company Matching Credits subject to the Deferred Stock Election by the price for shares of Common Stock, determined by the Committee, as of the day such deferred amounts are credited to the Participant's Accounts; and
 - (3) at such other times as the Committee determines with respect to all other deferred amounts under the Plan, with the number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing the portion of the Participant's deferred amounts to be credited in the Deferred Stock Account by the price for shares of Common Stock, determined by the Committee, as of the day such deferred amounts are credited to the Participant's Account, or, in the case of deferred amounts measured in stock units, by crediting the account with the same number of shares of Common Stock.
- (v) If the Company enters into transactions involving stock splits, stock dividends, reverse splits or any other recapitalization

transactions, the number of shares of Common Stock credited to a Participant's Deferred Stock Account will be adjusted (in whole shares and fractional shares, as determined by the Committee) so that the Participant's Deferred Stock Account reflects the same equity percentage interest in the Company after the recapitalization as was the case before such transaction.

- (vi) If at least a majority of the Company's stock is sold or exchanged by its shareholders pursuant to an integrated plan for cash or property (including stock of another corporation) or if substantially all of the assets of the Company are disposed of and, as a consequence thereof, cash or property is distributed to the Company's shareholders, each Participant's Deferred Stock Account will, to the extent not already so credited under this Section 5.3(b), be (i) credited with the amount of cash or property receivable by a Company shareholder directly holding the same number of shares of Common Stock as is credited to such Participant's Deferred Stock Account and (ii) debited by that number of shares of Common Stock surrendered by such equivalent Company shareholder.
 - (vii) Each time the Company declares a dividend on its Common Stock, each Participant's Deferred Stock Account will be credited with a Dividend Reinvestment Return equal to that number of shares of Common Stock (in whole shares and fractional shares, as determined by the Committee) determined by dividing (i) the amount that would have been paid (or the fair market value thereof, if the dividend is not paid in cash) to the Participant on the total number of shares of Common Stock credited to the Participant's Deferred Stock Account had that number of shares of Common Stock been held by such Participant by (ii) the price for shares of Common Stock, determined by the Committee, as of the dividend payment date.
 - (viii) The Committee may adopt administrative procedures to implement the provisions of this Section 5.3(b).
- (c) Limitations on Allocations and Reallocations to and From Deferred Stock Account.

In addition to the limitations of Section 5.3(b), pursuant to the Policy Statement on Insider Trading and Compliance, as the same may be amended (the "Policy"), there are time periods (each, a "blackout period") during which time Participants may not effect transactions, directly or indirectly, in Company equity securities. Under the Policy, the Company's Corporate Secretary may also impose additional blackout

periods with respect to some or all Participants. Participants whose ability to effect transactions is prohibited during such blackout periods also will be prohibited during such periods from making any Investment Election or Deferred Stock Election that affects the amount credited to the Participant's Deferred Stock Account. The Committee, at the direction of the Company's Corporate Secretary, shall adopt and implement procedures to ensure that the provisions of this Paragraph are carried out. In all events, with respect to amounts in excess of a Participant's Grandfathered Deferred Compensation Plan Deferrals and Grandfathered Restoration Plan Benefit, to the extent that the blackout period results in a deferral of payment under the Plan, payment must be made at the earliest date at which the Company reasonably anticipates that the making of the payment will not cause a violation of federal securities laws or other applicable law.

Vesting.

- (a) Deferred Amounts. At all times a Participant shall be fully vested in his Deferred Salary, Deferred Bonus, Deferred Equity-Based Compensation, and Deferred Restoration Distribution Accounts hereunder (including any earnings or losses and Dividend Reinvestment Return thereon). A Participant shall become vested in any Company Matching Credits and Company Non-Elective Credits in the same manner and to the same extent as the Participant is vested in matching contributions otherwise credited to the Participant under the BD 401(k) Plan. A Participant shall become vested in any Company Discretionary Credits pursuant to the vesting schedule established by the Company at the time such Credits, if any, are made. Except as otherwise provided in Section 6.1(b) (death) or Section 6.1(c) (disability), if a Participant incurs a Separation from Service at any time prior to becoming fully vested in amounts credited to the Participant's Accounts hereunder, the nonvested amounts credited to the Participant's Accounts shall be immediately forfeited and the Participant shall have no right or interest in such nonvested deferred amounts.
- (b) Restoration Plan Benefit. A Participant shall be vested in his Restoration Plan Benefit, if any, to the extent he is vested in his benefit under the Retirement Plan as determined pursuant to the provisions of the Retirement Plan.

Account Statements.

Within 60 days following the end of each Plan Year (or at such more frequent times determined by the Committee), the Committee shall furnish each Participant with a statement of Account which shall set forth the balances of the individual's Accounts as of the end of such Plan Year (or as of such time determined by the Committee), inclusive of tracked earnings (or losses) and any Dividend

Reinvestment Return. In addition, the Committee shall maintain records reflecting each year's deferrals separately by type of compensation.

ARTICLE VI.

Distributions and Withdrawals

Timing of Distributions.

- (a) Timing of Distribution – Distributions of Vested Accounts Other than Death, Disability, or Scheduled Distributions. The time and form of payment of Restoration Plan Benefits that are not otherwise deferred under Section 3.7 of the Plan are governed by the provisions of Article IV and those provisions of this Article VI specifically referring to Restoration Plan Benefit payment options. Except as otherwise provided herein, in the case of a Participant who incurs a Separation from Service before retirement from active employment (as defined below), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 6.2), as soon as practicable (as determined by the Committee) after the Participant's Separation from Service. Notwithstanding the foregoing, in the case of a Participant who incurs a Separation from Service with vested Company Non-Elective Credits, such vested Company Non-Elective Credits shall be paid in the form of a single lump sum distribution as soon as practicable after such Separation from Service for any reason (subject to the delay requirements described below that are applicable to Specified Employees). In the case of a Participant who retires from active employment hereunder (as defined below), and subject to Section 6.1(e) and Section 6.1(f), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 6.2), as soon as practicable (as determined by the Committee) following the later of: (I) the date the Participant retires from active employment (or, in the case of certain Equity-Based Compensation that vests one year after retirement, one year after retirement), or (II) the date otherwise specified in the Participant's Deferral Election; provided however that, in all events distributions under this subparagraph (II) of deferred amounts in excess of the Participant's Grandfathered Restoration Plan Benefits must be made (or commence to be paid) as of the earlier of the Participant's attainment of age 70 or death. For purposes of this Section 6.1(a), a Participant "retires from active employment" if:
- (i) the Participant Separates from Service with the Company or an affiliate after having attained age 65;
 - (ii) the Participant Separates from Service after having attained age 55 with ten years of service (as would be determined under the Retirement Plan, regardless of whether the Participant participates in the Retirement Plan) or an affiliate; or
 - (iii) with respect to Grandfathered Deferred Compensation Plan Deferrals and Grandfathered Restoration Plan Benefits, the

Committee, in its sole discretion, otherwise determines that the Participant has retired for this purpose.

The foregoing notwithstanding, in any case where the Participant is a Specified Employee, payment of amounts in the Participant's vested Accounts in excess of Grandfathered Deferred Compensation Plan Deferrals under this Section 6.1(a) on account of the Specified Employee's Separation from Service shall be deferred until the earlier of (x) first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date), or (y) the date of the Participant's death, subject to any additional deferral of such payments as provided for in the Plan.

(b) Timing of Distributions – Participant's Death.

If a Participant dies before the full distribution of the Participant's Accounts under this Article VI, any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Unless the Participant had commenced receiving installment payments, as soon as practicable after the Participant's death, all remaining amounts credited to the Participant's Accounts shall be paid in a single lump sum payment to the Participant's named Beneficiary (or Beneficiaries). In the absence of any Beneficiary designation, payment shall be made to the personal representative, executor or administrator of the Participant's estate. Beneficiary designations may be changed by a Participant at any time without the consent of the Participant's Spouse or any prior Beneficiary. If the Participant dies after having commenced to receive installment payments, the Participant's Beneficiary may accelerate the payment of any remaining installment payments attributable to Grandfathered Deferred Compensation Plan Deferrals or a Grandfathered Restoration Plan Benefit as follows:

- (i) The Beneficiary may request (within a reasonable time after the Participant's death, as specified by the Committee) that all remaining installment payments that are otherwise to be paid to the Beneficiary at least twelve (12) months after the date of the request be accelerated and paid in a single lump sum payment as of a date specified by the Committee that is at least twelve (12) months after the date of the request; or
- (ii) The Beneficiary may request (within a reasonable time after the Participant's death, as specified by the Committee) that all remaining installment payments that are otherwise to be paid to the Beneficiary be accelerated and paid in the form of an immediate lump sum payment, subject to the requirement that ten percent (10%) of the remaining amounts be permanently forfeited.

With respect to amounts in excess of amounts attributable to a Participant's Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefits, if a Participant dies after having commenced to receive installment payments pursuant to a scheduled distribution election, the Participant's Beneficiary shall receive the remaining installment payments as said payments become due under the scheduled distribution option elected by the Participant.

(c) Timing of Distributions – Participant's Disability.

Notwithstanding anything in the Plan to the contrary, if a Participant becomes Disabled, any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Notwithstanding anything in a Participant's Deferral Election to the contrary with respect to payment commencement, as soon as practicable after the Participant becomes Disabled, all remaining amounts credited to the Participant's Accounts (other than amounts attributable to Restoration Plan Benefits) shall be paid or commence to be paid to the Participant in the form of distribution elected by the Participant in the Participant's Deferral Election. In addition, as soon as practicable after the Participant becomes Disabled and with respect to Grandfathered Deferred Compensation Plan Deferrals or deferred Grandfathered Restoration Plan Benefits, the Participant may request that the Committee change any installment distribution election so that amounts subject to the election are accelerated and paid in the form of a single lump sum distribution. Such distribution shall be made only if the Committee, taking into account the type of factors taken into account in the event of a hardship under Section 6.1(f), in its sole discretion, approves such request.

- (d) Scheduled Distribution. As a part of the Participant's Deferral Election with respect to scheduled distributions, a Participant may elect to receive a lump sum distribution or annual installments (over 2, 3, 4 or 5 years, as elected by the Participant) equal to all or any part of the vested balance of the Participant's Accounts to be paid (or commence to be paid) at a scheduled distribution date, subject to the timing requirements in Section 6.1(a) and the limitations of Section 3.8(b). For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts subject to the scheduled distribution election by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period. These scheduled distributions are generally available only for distributions that are scheduled to commence to be paid while a Participant is employed by the Company. If a Participant incurs a Separation from Service before commencing receipt of scheduled distributions, the timing requirements of Section 6.1(a) shall

apply (which requirements provide for payment upon Separation from Service, unless the Participant has attained retirement age, in which case a later distribution date may apply). If a Participant Separates from Service while receiving scheduled installment payments, such installment payments shall continue to be paid in the same form of distribution, subject to the Participant's right to accelerate the remaining payments in accordance with Section 6.1(e) or Section 6.1(f). Notwithstanding the foregoing, if a Participant's employment is terminated for cause, as determined by the Company, full payment of all remaining amounts attributable to Grandfathered Deferred Compensation Plan Deferrals and deferred Grandfathered Restoration Plan Benefits in such Participant's Account shall be paid in the form of a single lump sum payment as soon as practicable after such termination.

- (e) Early Distribution – Grandfathered Deferrals. Notwithstanding any other provision of the Plan, a Participant or Beneficiary may, at any time prior to or subsequent to commencement of payments, request in writing to the Committee to have any or all vested amounts in his or her Accounts that constitute Grandfathered Deferred Compensation Plan Deferrals or deferred Grandfathered Restoration Plan Benefits paid in an immediate lump sum distribution, provided that an amount equal to ten percent (10%) of the requested distribution shall be permanently forfeited from the Participant's Accounts prior to such distribution. Any such lump sum distribution shall be paid as soon as practicable after the Committee's receipt of the Participant's (or Beneficiary's) request. The minimum permitted early distribution under this Section 6.1(e) shall be \$3,000.
- (f) Hardship Distribution. At any time prior to the time an amount is otherwise payable hereunder, an active Participant may request a distribution of all or a portion of any vested amounts credited to the Participant's Accounts on account of the Participant's financial hardship, subject to the following requirements:
 - (i) Such distribution shall be made, in the sole discretion of the Committee, if the Participant has incurred an unforeseeable emergency. The Committee shall consider any requests for payment under this Section 6.1(f) in accordance with the standards of interpretation described in Code Section 409A and the regulations and other guidance thereunder.
 - (ii) For purposes of this Plan, an "unforeseeable emergency" shall be limited to a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's Spouse, the Participant's Beneficiary, or of a Participant's dependent (as defined in Code Section 152, without regard to

Code Sections 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's Spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether a Participant is faced with an unforeseeable emergency will be determined based on the relevant facts and circumstances of each case and be based on the information supplied by the Participant, in writing, pursuant to the procedure prescribed by the Committee. In addition to the foregoing, distributions under this subsection shall not be allowed for purposes of sending a child to college or the Participant's desire to purchase a home or other residence. In all events, distributions made on account of an unforeseeable emergency are limited to the extent reasonably needed to satisfy the emergency need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution).

- (iii) Notwithstanding the foregoing, distribution on account of an unforeseeable emergency under this subsection may not be made to the extent that such emergency is or may be relieved:
 - (1) through reimbursement or compensation by insurance or otherwise,
 - (2) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or
 - (3) by cessation of deferrals under the Plan.
- (iv) All distributions under this subsection shall be made in cash as soon as practicable after the Committee has approved the distribution and that the requirements of this subsection have been met.
- (v) The minimum permitted hardship distribution shall be \$3,000.
- (vi) Notwithstanding any other provision of the Plan, effective as of March 24, 2020, a Participant's Deferred Salary Election, Deferred Bonus Election, and Deferred Equity-Based Compensation

Election for the 2020 Plan Year shall be cancelled (in accordance with Treasury Regulations § 1.409A-3(j)(4) (viii)) if for such 2020 Plan Year the Participant has incurred an unforeseeable emergency (as defined in Section 6.1(f)(ii)).

Form of Distribution.

- (a) General. Except as otherwise provided in this Article VI, all amounts payable from a Participant's Accounts shall be paid in one of the forms of distribution described in this Section 6.2, as elected by the Participant in a Deferral Election or as modified by the Participant in accordance with Section 6.2(e) below. Notwithstanding the foregoing, a Participant who is eligible to receive Company Non-Elective Credits hereunder shall receive such amounts in the form of a single lump sum distribution in cash; no other forms of distribution are available for receiving such amounts. Any Participant who fails to elect a form of distribution with respect to any deferral amount (or any compensation type) shall be deemed to have elected to receive such amounts in the form of a single lump sum distribution in cash and, to the extent distributable amounts are credited to the Participant's Deferred Stock Account or Deferred Equity-Based Compensation Account, in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof).
- (b) Distribution Alternatives for Restoration Plan Benefits. A Participant who is eligible to receive a Restoration Plan Benefit hereunder shall receive payment of such benefit in the Normal Form of Payment unless the Participant, subject to Section 6.2(e) below, elects an optional form of distribution as described in Section 6.2(d) below or an annuity form of benefit otherwise available under the Retirement Plan.
- (c) Lump Sum Distribution. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid in the form of a single lump sum distribution at the time otherwise required or permitted under the Plan.
- (d) Annual Installment Distributions. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid at the time otherwise required or permitted in the form of annual installments over a 5 or 10-year period commencing at the time otherwise required or permitted under the Plan and paid annually thereafter for the remainder of the installment period (subject to Section 6.1(b)). Notwithstanding the foregoing, in the case of any deferral amounts that were credited to a Participant's Accounts prior to January 1, 2017 and that are vested, the Participant may elect, in accordance with such procedures established by the Committee, to have

such amounts paid at the time otherwise required or permitted in the form of annual installments over a 15-year period commencing at the time otherwise required or permitted under the Plan and paid annually thereafter for the remainder of the installment period (subject to Section 6.1(b)). For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period. Notwithstanding the foregoing, if a Participant's employment is terminated for cause, as determined by the Company, full payment of all remaining amounts attributable to Grandfathered Deferred Compensation Plan Deferrals and deferred Grandfathered Restoration Plan Benefits in such Participant's Account shall be paid in the form of a single lump sum payment as soon as practicable after such termination.

(e) Change in Form

(i) Grandfathered Amounts.

The following provisions shall apply solely with respect to Grandfathered Deferred Compensation Plan Deferrals and deferred Grandfathered Restoration Plan Benefits:

- (1) Notwithstanding the foregoing, in accordance with the written, telephonic or electronic procedures prescribed by the Committee, a Participant may elect to change the form applicable to a particular category of deferral attributable to Grandfathered Deferred Compensation Plan Deferrals or deferred Grandfathered Restoration Plan Benefits at any time, provided that such election must be made at least twelve (12) consecutive months before the date on which such distribution otherwise would have been made or commenced. Any such change that is not in effect for at least the applicable twelve-month period shall be disregarded and the last valid election shall be substituted in its place. In the absence of such a valid election, distribution shall be made in the form of a single lump sum distribution in cash and, to the extent distributable amounts are credited to the Participant's Deferred Stock Account, in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof).
- (2) In addition, with respect to a Participant who has commenced receiving his Grandfathered Deferred Compensation Plan Deferrals or deferred Grandfathered

Restoration Plan Benefit paid in installment payments, such Participant may elect, pursuant to the written, telephonic or electronic method prescribed by the Committee (or its delegate), to have all remaining installment payments attributable to such grandfathered amounts that are otherwise to be paid to the Participant at least twelve (12) months after the date of the election be accelerated and paid in a single lump sum payment as of a date specified by the Committee that is at least twelve (12) months after the date of the election.

(ii) Non-Grandfathered Amounts.

In any case where a Participant wishes to change a form of distribution from what was previously in effect with respect to any deferred amounts credited to a Participant's Accounts in excess of a Participant's Grandfathered Deferred Compensation Plan Deferrals or Grandfathered Restoration Plan Benefit, in addition to the limitations under Section 3.8(b), the following requirements must be met:

- (1) The election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;
- (2) Except for payments made on account of a Participant's death or financial hardship under Section 6.1(f), the payment with respect to which such election is made (or the first payment, in the case of installment payments) shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;
- (3) Any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and
- (4) The election will not take effect if the payment (or the first payment, in the case of installment payments) would be scheduled to commence after the later of the date the Participant reaches age 70 or the date the Participant retires from active employment under the minimum deferral period required pursuant to (B) above.

(iii) Restoration Plan Benefit (Non-deferred).

- (1) General Rule. Where, pursuant to Section 4.4(b)(iii) and this Section 6.2, a Participant wishes to waive the Normal Form of Payment with respect to his Restoration Plan Benefit and elect an optional form of payment, the following requirements must be met:
- (a) The election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;
 - (b) Except for payments made on account of a Participant's death, the first payment with respect to which such election is made shall be delayed for a period of not less than five years from the date such payment would otherwise have been made; and
 - (c) Any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced.

In the event of any delay in payment of a Restoration Plan Benefit in excess of a Grandfathered Restoration Plan Benefit that is determined using the cash balance formula under the Retirement Plan or that is otherwise described in Section 4.4(b)(i)(D), the Participant's Restoration Plan Benefit shall be initially calculated at Separation from Service and then increased through the payment date by the interest credit factor otherwise provided for under the Retirement Plan. In the event of any delay in payment of a Restoration Plan Benefit in excess of a Grandfathered Restoration Plan Benefit that is determined using the final average pay formula under the Retirement Plan, the Participant's Restoration Plan Benefit shall be initially calculated at Separation from Service and then that amount shall be adjusted at the payment date to take into account the Participant's then-attained age.

- (2) Annuity Election. If a Participant elects to change the form of distribution with respect to a Restoration Plan Benefit to an annuity form of payment in accordance with subparagraph (A), the Participant may select the specific

annuity form of payment at any time prior to commencement of annuity payments from among the following actuarially equivalent annuity options:

- (1) With respect to the portion of the Participant's Restoration Plan Benefit that is determined using the final average pay formula under the Retirement Plan or that is otherwise described in Section 4.4(b)(i)(D): (i) a single life annuity payable for the Participant's lifetime; (ii) a joint and survivor annuity payable for the lives of the Participant and the Participant's Spouse under which if the Spouse shall survive the Participant, benefit payments shall continue after the Participant's death for the remaining lifetime of the Spouse in an amount equal to 50%, 75% or 100% (as elected by the Participant prior to benefit commencement) of the benefits payable during the Participant's life; or (iii) a guaranteed payments annuity option payable in either 60 or 120 monthly installments for the life of the Participant under which if the Participant dies before receiving the designated number of payments, the remaining benefit payments shall continue to the Participant's Beneficiary after the Participant's death; and
- (2) With respect to the portion of the Participant's Restoration Plan Benefit that is determined using the cash balance formula under the Retirement Plan: (i) a single life annuity payable for the Participant's lifetime; (ii) a joint and survivor annuity payable for the lives of the Participant and the Participant's Spouse under which if the Spouse shall survive the Participant, benefit payments shall continue after the Participant's death for the remaining lifetime of the Spouse in an amount equal to 50% or 75% or, if the Participant is age 55 or older on the date of benefit commencement, 100% (as elected by the Participant prior to benefit commencement) of the benefits payable during the Participant's life; or (iii) if the Participant is age 55 or older on the date of benefit commencement, a guaranteed payments annuity option payable in either 60 or 120 monthly installments for the life of the Participant under which if the Participant dies before receiving the

designated number of payments, the remaining benefit payments shall continue to the Participant's Beneficiary after the Participant's death.

- (3) Actuarial Factors for Determining Optional Annuity Payments. Unless provided otherwise in a Participant's Agreement, if any, if an annuity form of payment of a Restoration Plan Benefit is to be made to a Participant (or Beneficiary) whose Restoration Plan Benefit is determined in whole or in part using the cash balance formula under the Retirement Plan or that is otherwise described in Section 4.4(b)(i)(D), the annuity attributable to such portion of the Restoration Plan Benefit shall be calculated by first converting the Participant's Restoration Plan Benefit expressed as an account balance benefit into a single life annuity at benefit commencement determined using the Applicable Interest Rate and the Applicable Mortality Table (as such terms are defined in the Retirement Plan) used under the Retirement Plan for converting a cash balance account to a single life annuity. If the Participant elects an optional form of annuity other than the single life annuity, the single life annuity determined pursuant to the immediately preceding sentence (or the single life annuity calculated with respect to the portion of the Participant's Restoration Plan Benefit determined using the final average pay formula under the Retirement Plan) shall be converted to such other annuity form of payment using the actuarial factors under the Retirement Plan for converting a single life annuity to other annuity forms of payment.

ARTICLE VII.

General Provisions

Unsecured Promise to Pay.

The Company shall make no provision for the funding of any amounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of Section 404(a)(5) of the Code, or Title I of ERISA, or (ii) would cause the Plan to be other than an “unfunded and unsecured promise to pay money or other property in the future” under Treasury Regulations § 1.83-3(e); and, except to the extent specified in the Stock Trust following a “change of control” (as defined in the Stock Trust) of the Company, the Company shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence and in Section 5.3, the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations § 1.677(a)-1(d) to accumulate funds and/or shares of Common Stock to pay amounts under this Plan, provided that the assets of such trust(s) shall be required to be used to satisfy the claims of the Company’s general creditors in the event of the Company’s bankruptcy or insolvency.

Plan Unfunded.

In the event that the Company (or one of its subsidiaries) shall decide to establish an advance accrual reserve on its books against the future expense of payments hereunder, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Company (or such subsidiary), subject to claims of the Company’s (or such subsidiary’s) creditors. A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company (or the Participant’s employer subsidiary) with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to any amounts credited to Participant Accounts shall have a claim upon the Company (or the Participant’s employer subsidiary) only to the extent of the vested balance(s) credited to such Accounts.

Designation of Beneficiary.

The Participant’s Beneficiary under this Plan with respect to amounts credited to the Participant’s Accounts hereunder shall be the person designated to receive benefits on account of the Participant’s death on a form provided by the Committee.

Expenses.

All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with the Plan (including the Stock Trust) will be paid by the Company.

Voting Common Stock.

Each Participant who has a Deferred Stock Account shall be entitled to provide directions to the Committee to cause the Committee to similarly direct the Trustee of the Stock Trust to vote, on any matter presented for a vote to the shareholders of the Company, that number of shares of Common Stock held by the Stock Trust equivalent to the number of shares of Common Stock credited to the Participant's Deferred Stock Account. The Committee shall arrange for distribution to all such Participants in a timely manner all communications directed generally to the shareholders of the Company as to which their votes are solicited. If the Stock Trust ever holds fewer shares of Common Stock than there are shares allocated to Deferred Stock Accounts under the Plan as to which timely and proper directions have been received from the applicable Plan Participants, the Committee will direct the Trustee to vote all shares held in the Stock Trust in the same proportion as the total shares covered by timely and proper directions that have been directed to be voted.

Non-Assignability.

Participants, their legal representatives and their Beneficiaries shall have no right to anticipate, alienate, sell, assign, transfer, pledge or encumber their interests in the Plan, nor shall such interests be subject to attachment, garnishment, levy or execution by or on behalf of creditors of the Participants or of their Beneficiaries.

Mandatory Deferral.

Notwithstanding any other provision of this Plan, the Committee shall defer the distribution of any Plan benefits to a Participant if the Committee anticipates that the amount of such Plan benefits, or any portion thereof, would be nondeductible for corporate income tax purposes to the Company pursuant to Section 162(m) of the Code; provided, however, that payment of such amounts in excess of Grandfathered Deferred Compensation Plan Deferrals and Grandfathered Restoration Plan Benefit shall be paid thereafter at the earliest time permitted under Code Section 409A and the regulations and other guidance issued thereunder, including, in the case of Specified Employees, subject to the six-month delay for such amounts on account of a Specified Employee's Separation from Service.

Employment/Participation Rights.

- (a) Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.
- (b) Nothing in the Plan shall be construed to be evidence of any agreement or understanding, express or implied, that the Company will continue to

employ a Participant in any particular position or at any particular rate of remuneration.

- (c) No employee shall have a right to be selected as a Participant, or, having been so selected, to be continued as a Participant.
- (d) Nothing in this Plan shall affect the right of a recipient to participate in and receive benefits under and in accordance with any pension, profit-sharing, deferred compensation or other benefit plan or program of the Company.

Severability.

If any particular provision of the Plan shall be found to be illegal or unenforceable for any reason, the illegality or lack of enforceability of such provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or unenforceable provision had not been included.

No Individual Liability.

It is declared to be the express purpose and intention of the Plan that no liability whatsoever shall attach to or be incurred by the shareholders, officers, or directors of the Company (or any affiliate) or any representative appointed hereunder by the Company (or any affiliate), under or by reason of any of the terms or conditions of the Plan.

Tax and Other Withholding.

The Company shall have the right to deduct from any payment made under the Plan any amount required by federal, state, local, or foreign law to be withheld with respect to such payment. The Company shall also have the right to withhold from other current salary or wages any amount required by federal, state, local, or foreign law to be withheld with respect to compensation deferred under the Plan at any time prior to payment of such deferred compensation, or if such other current salary or wages are insufficient to satisfy such withholding requirement, to require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other current salary or wages. Additionally, should deferrals under this Plan cause there to be insufficient current salary or wages for purposes of withholding taxes or other amounts required by federal, state, local, or foreign law to be withheld from current salary or wages, the Company shall require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other current salary or wages. Amounts deferred under the Plan will be taken into account for purposes of any withholding obligation under the Federal Insurance Contributions Act and Federal Unemployment Tax Act at the later of the Plan Year during which the services are

performed or the Plan Year during which the rights to the amounts are no longer subject to a substantial risk of forfeiture, as required by Section 3121(v) and 3306(r) of the Code and the regulations promulgated thereunder.

Applicable Law.

This Plan shall be governed by and construed in accordance with the laws of the State of New Jersey except to the extent governed by applicable federal law.

Incompetency.

Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Committee receives written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to properly care for his or her affairs, or is a minor, then any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the Spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for the care of such person otherwise entitled to payment. If a guardian or conservator of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian or conservator provided that proper proof of appointment is furnished in a form and manner suitable to the Committee. Any payment made under the provisions of this Section shall be a complete discharge of liability therefor under the Plan.

Notice of Address.

Any payment made to a Participant or a designated Beneficiary at the last known post office address of the distributee on file with the Committee, shall constitute a complete acquittance and discharge of any obligations of the Company under this Plan, unless the Committee shall have received prior written notice of any change in the condition or status of the distributee. Neither the Committee, the Company nor any director, officer, or employee of the Company shall have any duty or obligation to search for or ascertain the whereabouts of a Participant or a designated Beneficiary.

ARTICLE VIII.

Administration

Committee.

Prior to a Change in Control, the Plan shall be administered by the Committee. The Committee shall have the exclusive right to interpret the Plan (including questions of construction and interpretation) and the decisions, actions and records of the Committee shall be conclusive and binding upon the Company and all persons having or claiming to have any right or interest in or under the Plan. The Committee may delegate to such officers, employees or departments of the Company, or to service-providers or other persons, such authority, duties, and responsibilities of the Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan. Notwithstanding the foregoing, after a Change in Control, the trustee of any grantor trust established for the purpose of accumulating funds to satisfy the obligations incurred by the Company under this Plan shall administer the Plan and shall have the same privileges and rights as given to the Committee prior to a Change in Control.

Claims Procedure.

Any person dissatisfied with the Committee's determination of a claim for benefits (or claim for eligibility for participation) hereunder must file a written request for reconsideration with the Committee. This request must include a written explanation setting forth the specific reasons for such reconsideration. The Committee shall review its determination promptly and render a written decision with respect to the claim, setting forth the specific reasons for such denial written in a manner calculated to be understood by the claimant. Such claimant shall be given a reasonable time within which to comment, in writing, to the Committee with respect to such explanation. The Committee shall review its determination promptly and render a written decision with respect to the claim. Such decision of the Committee shall be conclusive, binding, and final upon all claimants under this Plan.

Plan to Comply With Code Section 409A.

Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code Section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

ARTICLE IX.

Amendment, Termination and Effective Date

Amendment of the Plan.

Subject to Section 9.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors. Notwithstanding the foregoing, the Board of Directors hereby grants to the Committee the authority to approve and adopt amendments to the Plan, provided that such amendments will not materially increase the Company's costs related to providing benefits under the Plan or materially affect the benefits of participants in the Plan.

Termination of the Plan.

Subject to the provisions of Section 9.3, the Plan may be terminated at any time by written action of the Board of Directors.

No Impairment of Benefits.

Notwithstanding the provisions of Sections 9.1 and 9.2, no amendment to or termination of the Plan shall reduce the amount credited to any Participant's Accounts hereunder.

Effective Date.

The Plan, as previously amended and restated, was effective as of March 22, 2004. The Plan as set forth herein is amended and restated effective as of May 1, 2020.

* * *

Becton, Dickinson and Company hereby adopts this amended and restated BD Deferred Compensation and Retirement Benefit Restoration Plan, effective as of May 1, 2020.

IN WITNESS WHEREOF, this Plan has been executed this day of May, 2020.

Kristi Payne
Senior Vice President, Global Total Rewards

ATTACHMENT A

Procedures of the Retirement Benefit Restoration Plan
Committee re: Payment of Grandfathered Restoration Plan Benefits

The following are distribution procedures and requirements established by the Compensation and Benefits Committee of the Board of Directors of the Company (the "Board Committee") with respect to the determination of the appropriate timing and form of benefit payments of Grandfathered Restoration Plan Benefits in accordance the terms of the Restoration Plan (as in effect on October 3, 2004).

Notwithstanding anything to the contrary, any Participant who is not an Employee on or after October 1, 2000 shall be entitled to Grandfathered Restoration Plan Benefits solely in the form of a single lump sum cash payment made as soon as practicable following the date on which the Participant first becomes eligible to receive or commence receiving benefits under the Retirement Plan, regardless of the time benefits are actually paid or commence to be paid under the Retirement Plan and regardless of the form of benefit payments to be made under the Retirement Plan.

With respect to Restoration Plan Participants who are Employees on or after October 1, 2000, the following provisions shall apply with respect to Grandfathered Restoration Plan Benefits:

I. General Rule for Timing and Form of Payment: Except as provided below, all Grandfathered Restoration Plan Benefits shall be paid in the form of a single lump sum cash payment made as soon as practicable following the date on which the Participant first becomes eligible to receive or commence receiving benefits under the Retirement Plan, regardless of the time benefits are actually paid or commence to be paid under the Retirement Plan and regardless of the form of benefit payments to be made under the Retirement Plan.

II. Timing of Payment – Disability Retirements: Notwithstanding Paragraph I above and except as provided below, Grandfathered Restoration Plan Benefits on account of a Participant's Disability Retirement shall be paid in the form of a single lump sum cash payment as soon as practicable following the later of (i) the date the Participant ceases accruing additional benefits on account of his disability leave under the Retirement Plan, or (ii) the date on which the Participant first becomes eligible to receive or commence receiving benefits under the Retirement Plan, regardless of the time benefits are actually paid or commence to be paid under the Retirement Plan and regardless of the form of benefit payments to be made under the Retirement Plan.

III. Optional Forms of Payment: In lieu of the normal form of payment under Paragraph I or Paragraph II above, a Participant may elect (on such forms and in such manner prescribed by the Becton, Dickinson and Company Retirement Benefit Restoration Plan Committee (the "Restoration Plan Committee"), including through telephonic or electronic means) to have Grandfathered Restoration Plan Benefits paid in any form of payment otherwise permitted under the Retirement Plan as the Participant may elect. A Participant's election to receive Grandfathered Restoration Plan Benefits in a form other than a lump sum shall not be effective (regardless of whether the Restoration Plan Committee otherwise approves the Participant's request) unless the request is made and received by the Restoration Plan Committee

at least 6 months prior to the date Grandfathered Restoration Plan Benefits would otherwise be paid or commence to be paid under the Restoration Plan; provided, however, that such 6-month restriction shall be waived if the Participant terminates employment on account of a Disability Retirement as determined by the Retirement Plan administrator under the terms of the Retirement Plan in effect on October 3, 2004. (Eligibility for a Disability Retirement under the Retirement Plan requires a finding that the Participant has not attained age 65, has at least 10 years of vesting service, and becomes entitled to disability benefits under the Federal Social Security Act. The Participant should provide the Restoration Plan Committee with a copy of the written governmental notification of his eligibility for disability benefits under the Social Security Act.)

In the absence of an effective election made at least 6 months before the date Grandfathered Restoration Plan Benefits would otherwise have been paid under the Restoration Plan, the Restoration Plan Committee shall pay the Participant's Grandfathered Restoration Plan Benefit in accordance with the last effective election on file with the Restoration Plan Committee or, in the absence of such a valid election, in accordance with Paragraph I or Paragraph II. (By way of illustration, assume that, within 4 months of his termination, a 60-year old Participant had elected to have his Grandfathered Restoration Plan Benefit paid as a life annuity. In that case, the Participant's election will not be effective because the Restoration Plan would otherwise require a lump sum payment as soon as practicable after such termination and the 6-month requirement would not have been met. In the absence of a valid election, the Participant's Grandfathered Restoration Plan Benefit would be paid in a single lump sum as soon as practicable after termination of employment.)

IV. Optional Acceleration of Payment Due to Disability: If a Participant terminates employment on account of a Disability Retirement (determined under the Retirement Plan as described in Paragraph III above) and such Participant has elected a form of payment other than an immediate lump sum distribution, such Participant may request in writing to receive an accelerated lump sum distribution of his Grandfathered Restoration Plan Benefits as a result of his disability. In such case, the Restoration Plan Committee may, in its sole and absolute discretion, determine to grant or deny such request for payment. Because each request is unique, each Participant's request will be decided on a case-by-case basis. Therefore, there shall be no uniform standards for the Restoration Plan Committee to apply in determining whether to grant a request.

If the Restoration Plan Committee, in its discretion, grants a Participant's request, it shall notify the Participant in writing and it shall direct that payment of the Participant's entire Grandfathered Restoration Plan Benefit be made to the Participant in a single lump sum as soon as practicable thereafter. If the Restoration Plan Committee, in its discretion, denies such request, it shall notify the Participant in writing as soon as practicable thereafter.

The Restoration Plan Committee's decision concerning a Participant's entitlement to an accelerated payment due to a Disability Retirement shall be final and binding.

V. Calculation of Benefits: The amount of a Participant's lump sum payment shall be determined as provided under the terms of the Restoration Plan in effect on October 3, 2004. If a Participant's Grandfathered Restoration Plan Benefit is to be paid in accordance with any of

the Retirement Plan's optional forms of payment, the amount of the Participant's Grandfathered Restoration Plan Benefit shall be determined by the Restoration Plan Committee (or its delegate) based on the Participant's age and the actuarial factors otherwise provided for in the Retirement Plan with respect to the optional form of payment elected.

ATTACHMENT B

Provisions Related to Merger with CareFusion Corporation Deferred Compensation Plan

The CareFusion Corporation Deferred Compensation Plan (the “CFN Plan”) was merged into the Plan effective as of January 1, 2017. Notwithstanding anything in the Plan to the contrary, all amounts credited under the CFN Plan as of December 31, 2016 remain subject to, and are exclusively controlled by, all of the terms and conditions of the CFN Plan as in effect on December 31, 2016, provided, however, that the Board of Directors and the Committee may amend the applicable provisions under the CFN Plan in accordance with Article IX of the Plan.

AIRCRAFT TIME SHARING AGREEMENT

This Aircraft Time Sharing Agreement (“Agreement”) is made and entered into as of the 5th day of June, 2020, by and between Becton, Dickinson and Company, a New Jersey corporation (“BD”), and Thomas E. Polen.

WHEREAS, BD operates (i) a Falcon 2000EX aircraft bearing Federal Aviation Administration (“FAA”) Registration No. N522BD and Manufacturer's Serial No. 084, and (ii) a Falcon 7X aircraft bearing FAA Registration No. N347BD and Manufacturer's Serial 248 (the foregoing aircraft, and any other aircraft operated by BD during the term of this agreement, are referred to herein collectively as the “Aircraft”); and

WHEREAS, Mr. Polen is the Chief Executive Officer and President of BD; and

WHEREAS, the Compensation and Benefits Committee of the Board of Directors of BD, by resolution adopted on March 19, 2020 (the “Resolution”), authorized and encouraged BD’s Chief Executive Officer to use the Aircraft for all personal air travel purposes to the extent practicable within business constraints, taking into account competing business use for the Aircraft, and when appropriate, to be accompanied by members of his family while in the Aircraft;

WHEREAS, BD desires to make such Aircraft available to Mr. Polen for the above operations on a time sharing basis in accordance with §91.501 of the Federal Aviation Regulations (“FARs”), and in a manner consistent with the Resolution and the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows as to each of the Aircraft:

1. Provision of Aircraft. BD agrees to provide the Aircraft to and operate Aircraft for Mr. Polen on a time sharing basis in accordance with the provisions of §§ 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FARs for the term of this Agreement.

2. Reimbursement of Expenses. The charge imposed by BD for transportation furnished under this Agreement shall be up to the sum of the expenses set forth in subsections (a)-(i) below in respect of the specific flight or flights to which such charge applies:

- (a) Fuel, oil, lubricants, and other additives;
 - (b) Travel expenses of the crew, including food, lodging, and ground transportation;
 - (c) Hangar and tie-down costs away from the Aircraft’s base of operation;
 - (d) Insurance obtained for the specific flight;
 - (e) Landing fees, airport taxes, and similar assessments;
 - (f) Customs, foreign permit, and similar fees directly related to the flight;
 - (g) In-flight food and beverages;
 - (h) Flight planning and weather contract services; and
-

(i) An additional charge equal to one hundred percent (100%) of the expenses listed in subparagraph (a) above.

3. Invoicing and Payment. All payments to BD by Mr. Polen hereunder shall be paid in the manner set forth in this Section 3. BD will pay to suppliers, employees, contractors and governmental entities all expenses related to the operation of Aircraft hereunder in the ordinary course. As to each flight operated hereunder, BD will provide to Mr. Polen an invoice in an amount specified in Section 2 of this Agreement (plus air transportation excise taxes, as applicable, imposed by the Internal Revenue Code and any other government imposed ad valorem taxes, charges or fees). Mr. Polen shall pay the full amount of such invoice within thirty (30) days of the date of the invoice. In the event BD has not received supplier invoices for reimbursable charges relating to such flight prior to such invoicing, BD may issue supplemental invoice(s) for such charge(s) to Mr. Polen, and Mr. Polen shall pay such charge(s) within thirty (30) days of the date of the supplemental invoice.

4. Flight Notifications. Mr. Polen will provide BD with flight notifications and proposed flight schedules as far in advance as possible. Flight notifications shall be in a form, whether oral or written, mutually convenient to and agreed upon by the parties. Mr. Polen shall provide at least the following information for each proposed flight reasonably in advance of the desired departure time as required by BD or its flight crew:

- (a) departure point;
- (b) destination;
- (c) proposed date and time of flight;
- (d) number and identity of anticipated passengers;
- (e) nature and extent of baggage and/or cargo to be carried;
- (f) proposed date and time of return flight, if any;
- (g) preferred aircraft; and
- (h) any other information concerning the proposed flight that may be pertinent to or required by BD or its flight crew.

5. Aircraft Scheduling. BD shall have final authority over all scheduling of the Aircraft, including determination of which Aircraft shall be operated on a particular flight, provided, however, that BD will use its reasonable efforts to accommodate Mr. Polen's requests.

6. Aircraft Maintenance. BD shall be solely responsible for securing scheduled and unscheduled maintenance, preventive maintenance, and required or otherwise necessary inspections of the Aircraft, and shall take such requirements into account in scheduling the Aircraft. Performance of maintenance or inspection shall not be postponed for the purpose of scheduling an Aircraft to accommodate Mr. Polen's request, unless such maintenance or inspection can safely be conducted at a later time in compliance with applicable laws, regulations and requirements, and such postponement is consistent with the sound discretion of the pilot-in-command.

7. Flight Crew. BD shall employ, pay for and provide a qualified flight crew for all flight operations under this Agreement.

8. Operational Authority and Control. BD shall be responsible for all aspects of the physical and technical operation of the Aircraft and the safe performance of all flights, and shall retain full authority and control, including exclusive operational control, and possession of the Aircraft at all times during flights operated under this Agreement. In accordance with applicable FARs, the qualified flight crew provided by BD will exercise all required and/or appropriate duties and responsibilities in regard to the safety of each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning preparation of the Aircraft for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made, and all other matters relating to operation of the Aircraft. Mr. Polen specifically agrees that the flight crew shall have final and complete authority to delay or cancel any flight for any reason or condition that in the sole judgment of the pilot-in-command could compromise the safety of the flight, and to take any other action that in the sole judgment of the pilot-in-command is necessitated by considerations of safety. No such action of the pilot-in-command shall create or support any liability to Mr. Polen or any other person for loss, injury, damage or delay. The parties further agree that BD shall not be liable for delay or failure to furnish an Aircraft and crew pursuant to this Agreement when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, civil commotion, strike or labor dispute, weather conditions, act of God, or other circumstances beyond BD's reasonable control.

9. Insurance and Indemnification. (a) BD will maintain or cause to be maintained in full force and effect throughout the term of this Agreement aircraft liability insurance in respect of each Aircraft, naming Mr. Polen as an insured, in an amount at least equal to \$300 million combined single limit for bodily injury to or death of persons (including passengers) and property damage liability.

(b) BD shall use reasonable efforts to procure such additional insurance coverage as Mr. Polen may request, naming Mr. Polen as an insured; provided, that the cost of such additional insurance shall be borne by Mr. Polen pursuant to Section 2(d) hereof.

(c) Notwithstanding the obligations set forth in subparagraphs (a) and (b) of this Section 9, BD shall indemnify Mr. Polen and hold him harmless against all liabilities, obligations, losses, damages, penalties, and actions (including without limitation reasonable attorneys' fees and expenses) of any nature which may be imposed on, incurred by or asserted against Mr. Polen caused by or arising out of any flight operated under this Agreement. The provisions of this subsection shall survive the termination of this Agreement.

10. Warranties. Mr. Polen warrants that:

(a) Mr. Polen will use the Aircraft under this Agreement only for his own account, consistent with the Resolution, and will not use such Aircraft for the purpose of providing transportation of passengers or cargo for compensation or hire;

(b) Mr. Polen will not permit any lien, security interest or other charge or encumbrance to attach against an Aircraft as a result of his actions or inactions, and shall not convey, mortgage, assign, lease or in any way alienate an Aircraft or his rights hereunder; and

(c) Throughout the term of this Agreement, Mr. Polen and his guests will abide by and conform to all such laws, rules and regulations as may from time to time be in effect and applicable to him relating in any way to the operation or use of an Aircraft under this Agreement.

11. Base of Operations. Mr. Polen acknowledges that the base of operations of any Aircraft may be changed temporarily or permanently by BD without notice.

12. Notices and Communications. All notices and other communications under this Agreement shall be in writing (except as permitted in Section 4) and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by personal delivery, addressed as follows:

If to BD: Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, NJ 07417
Attn: Chief Financial Officer

If to Mr. Polen: Thomas E. Polen
C/o Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, NJ 07417

or to such other person or address as either party may from time to time designate in writing.

13. Further Acts. Each of BD and Mr. Polen shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be necessary (i) to carry out the intent and purpose of this Agreement, or (ii) to establish, maintain or protect the respective rights and remedies of the other party.

14. Successors and Assigns. Neither this Agreement nor any party's interest herein shall be assignable to any third party. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their representatives and their successors.

15. Termination. Either party may terminate this Agreement for any reason upon written notice to the other, such termination to become effective thirty (30) days from the date of the notice; provided, that this Agreement may be terminated as a result of a breach by either party of its obligations under this Agreement on ten (10) days' written notice by the non-breaching party to the breaching party; and provided further, that this Agreement may be terminated on such shorter notice as may be required to comply with applicable laws, regulations or insurance requirements.

16. *Severability; Conflicts.* If any provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected or impaired. To the extent the FARs and the Resolution conflict, the FARs shall govern.

17. *Entire Agreement; Amendment or Modification.* This Agreement supersedes and replaces any previous agreement between the parties hereto concerning the subject matter hereof, constitutes the entire agreement between the parties with respect to that subject matter, and is not intended to confer upon any person or entity any rights or remedies not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by both parties hereto.

18. *TRUTH IN LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.* (a) BD CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED WITHIN THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS, AND THAT ALL APPLICABLE REQUIREMENTS FOR THE AIRCRAFTS' MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET AND ARE VALID FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.

(b) BD AGREES, CERTIFIES AND ACKNOWLEDGES THAT WHENEVER AN AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, BD SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE OPERATOR OF THAT AIRCRAFT, AND THAT BD UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

(c) THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS AND PERTINENT FEDERAL AVIATION REGULATIONS BEARING ON OPERATIONAL CONTROL CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE. BD FURTHER CERTIFIES THAT IT WILL SEND, OR CAUSE TO BE SENT, A TRUE COPY OF THIS AGREEMENT TO: FEDERAL AVIATION ADMINISTRATION, AIRCRAFT REGISTRATION BRANCH, ATTN. TECHNICAL SECTION (AVN-450), P.O. BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS AFTER ITS EXECUTION, AS REQUIRED BY SECTION 91.23(c)(1) OF THE FEDERAL AVIATION REGULATIONS.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BECTON, DICKINSON AND COMPANY

By: /s/ Christopher R. Reidy
Name: Christopher R. Reidy
Title: Executive Vice President, Chief Financial Officer and Chief Administrative Officer

/s/ Thomas E. Polen
Thomas E. Polen

The undersigned hereby consents to the transactions contemplated by this Aircraft Time Share Agreement between Becton, Dickinson and Company and Vincent Polen.

FRANKLIN LAKES ENTERPRISES, L.L.C.

By: /s/ Gary DeFazio
Name: Gary DeFazio
Title: Manager

CERTIFICATIONS

I, Thomas E. Polen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;
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.

Date: August 6, 2020

/s/ Thomas E. Polen

Thomas E. Polen

Chief Executive Officer and President

I, Christopher R. Reidy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;
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.

Date: August 6, 2020

/s/ Christopher R. Reidy

Christopher R. Reidy

Executive Vice President, Chief Financial Officer and Chief Administrative Officer

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended June 30, 2020 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Thomas E. Polen, the Chief Executive Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

August 6, 2020

/s/ Thomas E. Polen

Name: Thomas E. Polen

Chief Executive Officer

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended June 30, 2020 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Christopher R. Reidy, the Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

August 6, 2020

/s/ Christopher R. Reidy

Name: Christopher R. Reidy

Chief Financial Officer