

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

(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, 2004

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

22-0760120

-----  
 (State or other jurisdiction of incorporation or organization)

-----  
 (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)

N/A

-----  
 (Former name, former address and former fiscal year, if changed since last report)

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 checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<TABLE> <CAPTION>	Class of Common Stock	Shares Outstanding as of July 31, 2004
	-----	-----
<S>	Common stock, par value \$1.00	<C> 250,548,119

</TABLE>

BECTON, DICKINSON AND COMPANY  
 FORM 10-Q  
 For the quarterly period ended June 30, 2004

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ITEM 1. FINANCIAL STATEMENTS  
BECTON, DICKINSON AND COMPANY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
Thousands of Dollars

<TABLE>  
<CAPTION>

	June 30, 2004	September 30, 2003
	----- (Unaudited)	-----
	<C>	<C>
<S>		
Assets		
Current Assets:		
Cash and equivalents	\$ 659,511	\$ 519,886
Trade receivables, net	806,674	781,342
Inventories:		
Materials	124,961	129,958
Work in process	137,779	145,500
Finished products	505,276	519,556
	-----	-----
	768,016	795,014
Prepaid expenses, deferred taxes and other	276,265	242,327
	-----	-----
Total Current Assets	2,510,466	2,338,569
Property, plant and equipment	4,053,230	3,905,155
Less allowances for depreciation and amortization	2,207,504	2,060,384
	-----	-----
	1,845,726	1,844,771
Goodwill, Net	543,442	536,788
Core and Developed Technology, Net	228,751	242,683
Other Intangibles, Net	104,179	111,713
Capitalized Software, Net	292,837	305,608
Other	193,093	192,121
	-----	-----
Total Assets	\$ 5,718,494	\$ 5,572,253
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Short-term debt	\$ 6,063	\$ 121,920
Payables and accrued expenses	1,000,045	921,454
	-----	-----
Total Current Liabilities	1,006,108	1,043,374
Long-Term Debt	1,149,173	1,184,031
Long-Term Employee Benefit Obligations	358,223	328,807
Deferred Income Taxes and Other	126,662	119,087
Commitments and Contingencies		

Shareholders' Equity:		
Preferred stock	31,736	34,448
Common stock	332,662	332,662
Capital in excess of par value	402,423	257,178
Retained earnings	4,235,345	3,950,592
Unearned ESOP compensation	(3,708)	(3,693)
Deferred compensation	9,955	8,974
Common shares in treasury - at cost	(1,721,362)	(1,439,934)
Accumulated other comprehensive loss	(208,723)	(243,273)
	-----	-----
Total Shareholders' Equity	3,078,328	2,896,954
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 5,718,494	\$ 5,572,253
	=====	=====

</TABLE>

See notes to condensed consolidated financial statements

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BECTON, DICKINSON AND COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
Thousands of Dollars, Except Per-share Data  
(Unaudited)

<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues	\$1,257,755	\$1,165,369	\$3,727,809	3,351,058
Cost of products sold	624,212	622,387	1,903,145	1,750,854
Selling and administrative	338,052	308,475	1,006,300	891,454
Research and development	60,800	60,042	184,007	179,921
Litigation settlement	100,000	--	100,000	--
	-----	-----	-----	-----
Total Operating Costs and Expenses	1,123,064	990,904	3,193,452	2,822,229
	-----	-----	-----	-----
Operating Income	134,691	174,465	534,357	528,829
Interest expense, net	(4,128)	(9,658)	(21,018)	(26,944)
Other expense, net	(701)	(2,036)	(3,865)	(3,799)
	-----	-----	-----	-----
Income Before Income Taxes	129,862	162,771	509,474	498,086
Income tax provision	20,466	32,753	109,516	112,390
	-----	-----	-----	-----
Net Income	\$ 109,396	\$ 130,018	\$ 399,958	\$ 385,696
	=====	=====	=====	=====
Earnings Per Share:				
Basic	\$ .43	\$ .51	\$ 1.58	1.51
	=====	=====	=====	=====
Diluted	\$ .41	\$ .49	\$ 1.51	1.46
	=====	=====	=====	=====
Dividends Per Common Share	\$ .15	\$ .10	\$ .45	\$ .30
	=====	=====	=====	=====

</TABLE>

See notes to condensed consolidated financial statements

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BECTON, DICKINSON AND COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
Thousands of Dollars  
(Unaudited)

<TABLE>  
<CAPTION>

	Nine Months Ended June 30,	
	2004	2003
<S>	<C>	<C>
Operating Activities		
Net income	\$ 399,958	\$ 385,696
Adjustments to net income to derive net cash provided by operating activities:		
Depreciation and amortization	273,724	259,632
Pension contribution	(18,000)	(100,000)
Impairment of intangible assets	--	30,089
BGM charges (Note 9)	38,551	--
Change in working capital	73,053	(90,857)
Other, net	54,351	24,406
Net Cash Provided by Operating Activities	821,637	508,966
Investing Activities		
Capital expenditures	(170,040)	(168,181)
Capitalized software	(33,280)	(47,286)
(Purchases) sales of investments, net	(8,179)	1,975
Other, net	(47,552)	(30,728)
Net Cash Used for Investing Activities	(259,051)	(244,220)
Financing Activities		
Change in short-term debt	(104,408)	(270,145)
Proceeds of long-term debt	--	410,091
Payments of long-term debt	(17,202)	(1,230)
Repurchase of common stock	(350,002)	(205,636)
Issuance of common stock from treasury	163,697	81,481
Dividends paid	(115,110)	(78,839)
Net Cash Used for Financing Activities	(423,025)	(64,278)
Effect of exchange rate changes on cash and equivalents	64	11,634
Net increase in cash and equivalents	139,625	212,102
Opening Cash and Equivalents	519,886	243,115
Closing Cash and Equivalents	\$ 659,511	\$ 455,217

</TABLE>

See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
Dollar and Share Amounts in Thousands, Except Per-share Data  
June 30, 2004

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 the Company, include all adjustments which are of a normal recurring nature, necessary for a fair presentation of financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and footnotes required for a presentation in accordance with generally accepted accounting principles. These condensed consolidated financial statements should be read in conjunction with

the consolidated financial statements and the notes thereto included or incorporated by reference in the Company's 2003 Annual Report on Form 10-K. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

#### Stock-based Compensation

Under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123 "Accounting for Stock-Based Compensation", the Company accounts for stock-based employee compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. Under the intrinsic value method, compensation cost of stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the exercise price. Accordingly, no stock-based compensation cost relating to stock options has been reflected in the Company's net income for the three and nine months ended June 30, 2004 and 2003, as all options granted under the Company's stock option plans had an exercise price equal to the market value of the underlying common stock on the date of grant. Stock-based compensation cost recorded in the nine-month period ended June 30, 2004 related to performance-based and other stock awards granted under the Company's Stock Award Plan was not material.

The following table illustrates the effect on net income and earnings per share if the Company were to have applied the fair value recognition provisions of SFAS No. 123, as amended, to account for stock-based compensation for the periods indicated. These pro-forma amounts may not be representative of the effects on net income in future years since options generally vest over several years and additional awards may be made each year.

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<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Net income, as reported	\$109,396	\$130,018	\$399,958	\$385,696
Less stock-based compensation expense, net of tax	(7,854)	(8,863)	(24,175)	(26,501)
Pro forma net income	\$101,542	\$121,155	\$375,783	\$359,195
Reported earnings per share:				
Basic	\$ .43	\$ .51	\$ 1.58	\$ 1.51
Diluted	\$ .41	\$ .49	\$ 1.51	\$ 1.46
Pro forma earnings per share:				
Basic	\$ .40	\$ .47	\$ 1.48	\$ 1.40
Diluted	\$ .39	\$ .46	\$ 1.43	\$ 1.37

</TABLE>

The Company estimated the fair value of stock options using the Black-Scholes option-pricing model, modified for dividends and using certain assumptions for stock price volatility, risk free interest rates, dividend yields and expected terms until exercise. The value determined by the Black-Scholes option-pricing model is based on assumptions at the time of grant and subsequent modifications to such assumptions are not reflected in the value of prior grants. The Black-Scholes model is a trading option-pricing model that does not reflect either the non-traded nature of employee stock options or the limited transferability of such options. This model also does not consider restrictions on trading for all employees, including certain restrictions imposed on senior management of the Company. Therefore, if the Company had used an option-pricing model other than Black-Scholes, pro-forma results different from those shown above may have been reported.

#### Note 2 - Comprehensive Income

Comprehensive income for the Company is comprised of the following:

<TABLE>  
<CAPTION>

Three Months Ended June 30,		Nine Months Ended June 30,	
2004	2003	2004	2003

<S>	<C>	<C>	<C>	<C>
Net Income	\$109,396	\$130,018	\$399,958	\$385,696
Other Comprehensive Income, Net of Tax				
Foreign currency translation adjustments	(26,743)	119,524	29,141	201,099
Unrealized gains on investments, net of amounts recognized	348	4,081	1,111	6,929
Unrealized gains (losses) on cash flow hedges, net of amounts realized	9,096	(4,909)	4,298	(6,999)
Comprehensive Income	\$ 92,097	\$248,714	\$434,508	\$586,725

</TABLE>

The amount of unrealized gains or losses on investments and cash flow hedges in comprehensive

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income has been adjusted to reflect any realized gains and recognized losses included in net income during the three and nine months ended June 30, 2004 and 2003.

### Note 3 - Earnings per Share

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

<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Net Income	\$109,396	\$130,018	\$399,958	\$385,696
Preferred stock dividends	(520)	(578)	(1,605)	(1,779)
Income available to common shareholders (A)	108,876	129,440	398,353	383,917
Preferred stock dividends - using "if converted" method	520	578	1,605	1,779
Additional ESOP contribution - using "if converted" method	(2)	(116)	(33)	(375)
Income available to common shareholders after assumed conversions (B)	\$109,394	\$129,902	\$399,925	\$385,321
Average common shares outstanding (C)	252,433	255,038	252,617	255,008
Dilutive stock equivalents from stock plans	8,461	6,239	7,949	5,176
Shares issuable upon conversion of preferred stock	3,442	3,811	3,442	3,811
Average common and common equivalent shares outstanding - assuming dilution (D)	264,336	265,088	264,008	263,995
Basic earnings per share (A/C)	\$ .43	\$ .51	\$ 1.58	\$ 1.51
Diluted earnings per share (B/D)	\$ .41	\$ .49	\$ 1.51	\$ 1.46

</TABLE>

During the three and nine months ended June 30, 2004, 1,076 and 6,946 common shares, respectively were issued upon exercise of stock options. During the three and nine months ended June 30, 2003, 2,732 and 4,750 common shares, respectively were issued upon exercise of stock options.

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Note 4 - Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings and claims which arise in the ordinary course of business.

Given the uncertain nature of litigation generally, the Company is not able to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which it is a party. In accordance with generally accepted accounting principles, the Company establishes reserves to the extent probable future losses are estimable. While the Company believes that the claims against it, upon resolution, should not have a material adverse effect on the Company, in view of the uncertainties discussed above, the Company could incur charges in excess of any currently established reserves and, to the extent available, excess liability insurance. Accordingly, 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 net cash flows in the period or periods in which they are recorded or paid. The Company continues to believe that it has valid defenses to each of the suits pending against it and is engaged in a vigorous defense of each of these matters. Further discussion of legal proceedings is included in Note 11 in Notes to Condensed Consolidated Financial Statements, below, and Part II of this Report on Form 10-Q.

Note 5 - Segment Data

The Company's organizational structure is based upon its three principal business segments: BD Medical ("Medical"), BD Diagnostics ("Diagnostics"), and BD Biosciences ("Biosciences"). The Company evaluates segment performance based upon operating income. Segment operating income represents revenues reduced by product costs and operating expenses. Financial information for the Company's segments is as follows:

<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Revenues				
Medical	\$ 682,645	\$ 648,428	\$1,992,154	\$1,821,884
Diagnostics	374,195	338,183	1,158,015	1,026,637
Biosciences	200,915	178,758	577,640	502,537
Total Revenues (A)	\$1,257,755	\$1,165,369	\$3,727,809	\$3,351,058

</TABLE>

<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Segment Operating Income				
Medical	\$ 155,075	\$150,218	\$ 398,281 (B)	\$402,827
Diagnostics	86,009	72,385	271,135	223,412
Biosciences	41,819	(318) (C)	117,247	46,896 (C)
Total Segment Operating Income	282,903	222,285	786,663	673,135
Unallocated Items (D)	(153,041) (E)	(59,514)	(277,189) (E)	(175,049)
Income Before Income Taxes	\$ 129,862	\$162,771	\$ 509,474	\$498,086

</TABLE>

<TABLE>  
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Revenues by Organizational Units				
BD Medical				
Medical Surgical Systems	\$ 389,231	\$ 370,374	\$1,147,554	\$1,057,291
Diabetes Care	147,992	137,114	431,086	390,491
Pharmaceutical Systems	131,211	127,348	371,786	334,399
Ophthalmic Systems	14,211	13,592	41,728	39,703
	\$ 682,645	\$ 648,428	\$1,992,154	\$1,821,884
BD Diagnostics				
Preanalytical Systems	\$ 201,945	\$ 180,372	\$ 582,868	\$ 523,632
Diagnostic Systems	172,250	157,811	575,147	503,005
	\$ 374,195	\$ 338,183	\$1,158,015	\$1,026,637
BD Biosciences				
Immunocytometry Systems	\$ 102,108	\$ 84,081	\$ 287,815	\$ 231,613
Clontech	14,934	15,811	46,074	48,854
Pharmingen	36,123	32,217	102,565	90,160
Discovery Labware	47,750	46,649	141,186	131,910
	\$ 200,915	\$ 178,758	\$ 577,640	\$ 502,537
Total	\$1,257,755	\$1,165,369	\$3,727,809	\$3,351,058

</TABLE>

- (A) Intersegment revenues are not material.
- (B) Current year amount includes \$45,024 of charges related to blood glucose monitoring products as discussed further in Note 9 in Notes to the Condensed Consolidated Financial Statements.
- (C) Prior year amounts included \$34,231 of charges for the quarter and nine months related to the write down of intangible assets and inventory.
- (D) Includes primarily interest, net; foreign exchange; corporate expenses; and certain legal costs.
- (E) Current year amounts include the litigation settlement of \$100,000 as discussed further in Note 11 in Notes to Condensed Consolidated Financial Statements.

Note 6 - Special Charges

In fiscal year 2002, the Company recorded special charges of \$21,508 associated with a manufacturing restructuring program in the Medical segment that was aimed at optimizing manufacturing efficiencies and improving the Company's competitiveness in the different markets in which it operates. This program involved the termination of 533 employees in China, France, Germany, Ireland, Mexico and the United States. As of June 30, 2004, 525 of the targeted employees had been severed. The Company expects the remaining terminations to be substantially completed and the related accrued severance to be substantially paid in the first quarter of fiscal 2005.

A summary of the 2002 special charge accrual activity during the first nine months of fiscal 2004 follows:

	Severance	Restructuring
<S>	<C>	<C>
Accrual Balance at September 30, 2003	\$ 1,800	\$100
Payments	(1,000)	--
Accrual Balance at June 30, 2004	\$ 800	\$100

</TABLE>



Note 7 - Goodwill and Other Intangible Assets

The components of intangible assets are as follows:

<TABLE>  
<CAPTION>

	June 30, 2004		September 30, 2003	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<S>	<C>	<C>	<C>	<C>
Amortized intangible assets:				
Core and Developed Technology	\$353,414	\$124,663	\$352,372	\$109,689
Patents, Trademarks, & Other	318,502	229,460	314,211	217,635
Total	\$671,916	\$354,123	\$666,583	\$327,324
Unamortized intangible assets:				
Goodwill	\$543,442		\$536,788	
Trademarks	15,137		15,137	
Total	\$558,579		\$551,925	

</TABLE>

The change in the carrying amount of goodwill for the nine months ended June 30, 2004 relates to foreign currency translation adjustments.

The estimated intangible amortization expense for the fiscal years ending September 30, 2004 to 2009 are as follows: 2004 - \$35,200; 2005 - \$34,600; 2006 - \$31,900; 2007 - \$31,700; 2008 - \$30,500; 2009 - \$29,200.

During the third quarter of fiscal 2003, the Company decided to discontinue the development of certain products and product applications associated with the BD IMAGN'TM' instrument platform in the Biosciences segment. As a result, the Company recorded an impairment loss of \$26,717 (a component of the total charge of \$34,231 as discussed in Note 5 in Notes to Condensed Consolidated Financial Statements, above) in cost of products sold. This loss included the write-down of \$25,230 of core and developed technology, \$960 of indefinite-lived trademarks, and \$527 of licenses. The impairment loss was calculated using estimated discounted future cash flows.

Note 8 - Adoption of New Accounting Standards

In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 significantly changes whether entities included in its scope are consolidated by their sponsors, transferors or investors. The Interpretation introduces a new consolidation model, "the variable interests model," which determines control based on potential variability in gains and losses of the entity being evaluated for consolidation. Under FIN 46, variable interest entities are to be consolidated if certain conditions are met. Variable interests are contractual, ownership or other interests in an entity that expose their holders to the risks and rewards of the variable interest entity. Variable interests include equity investments, leases, derivatives, guarantees and other instruments whose values change with changes in the variable interest entity's assets. The Company adopted FIN 46 in the second quarter of 2004, which had no impact on the Company's consolidated financial position, results of operations or financial disclosures.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was signed into law. The Act introduces a prescription drug benefit under Medicare, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare. Detailed regulations necessary to implement the Act have not yet been issued. Based upon preliminary analyses, the Company expects the impact of the Act to have a favorable, yet immaterial, impact on its consolidated financial position and results of operations.

Note 9 - Blood Glucose Monitoring Charges

The Company recorded a pre-tax charge of \$45,024 to cost of products sold in the Company's results of operations for the three months ended December 31, 2003 related to its blood glucose monitoring ("BGM") products, which included a

reserve of \$6,473 in connection with the voluntary product recall of certain lots of BGM test strips and the write-off of \$29,803 of certain test strip inventories. Based upon internal testing, it was determined that certain BGM test strip lots, produced by BD's manufacturing partner, were not performing within BD's specifications. As a result, the Company decided to recall the affected lots and dispose of the non-conforming product in inventory. In addition, the charge reflects BD's decision to focus its sales and marketing efforts on the BD Logic<sup>TM</sup> and Paradigm Link<sup>TM</sup> blood glucose meters in the United States, and to discontinue support of the BD Latitude<sup>TM</sup> system product offering in the United States, resulting in a write-off of \$8,748 of related blood glucose meters and fixed assets.

Note 10 - Benefit Plans

The Company has defined benefit pension plans covering substantially all of its employees in the United States and certain foreign locations. The Company also provides certain postretirement healthcare and life insurance benefits to qualifying domestic retirees. Postretirement benefit plans in foreign countries are not material.

Net pension and postretirement expense included the following components for the three months ended June 30:

<TABLE>  
<CAPTION>

	Pension Plans		Other Postretirement Benefits	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Components of net pension and postretirement costs:				
Service cost	\$ 14,033	\$ 11,200	\$ 875	\$ 790
Interest cost	15,423	13,518	3,841	3,621
Expected return on plan assets	(12,773)	(11,798)	--	--
Amortization of prior service cost	59	21	(1,559)	(1,558)
Amortization of loss	4,337	3,280	1,298	836
Other	(76)	(34)	--	--
Net pension and postretirement costs	\$ 21,003	\$ 16,187	\$ 4,455	\$ 3,689

</TABLE>

Net pension expense attributable to foreign plans included in the preceding table was \$3,713 and \$3,326 for the three months ended June 30, 2004 and 2003, respectively.

Net pension and postretirement expense included the following components for the nine months ended June 30:

<TABLE>  
<CAPTION>

	Pension Plans		Other Postretirement Benefits	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Components of net pension and postretirement costs:				
Service cost	\$ 42,099	\$ 33,600	\$ 2,625	\$ 2,370
Interest cost	46,269	40,554	11,523	10,863
Expected return on plan assets	(38,319)	(35,394)	--	--
Amortization of prior service cost	177	63	(4,677)	(4,674)
Amortization of loss	13,011	9,840	3,894	2,508
Other	(228)	(102)	--	--
Net pension and postretirement costs	\$ 63,009	\$ 48,561	\$13,365	\$11,067

</TABLE>

Net pension expense attributable to foreign plans included in the preceding table was \$11,139 and \$9,978 for the nine months ended June 30, 2004 and 2003, respectively.

The Company contributed \$18,000, on a discretionary basis, to increase the funding for the U.S. pension plan during the third quarter of 2004.

#### Note 11 - Litigation Settlement

On July 2, 2004, the Company entered into an agreement to settle the lawsuit filed against it by Retractable Technologies, Inc. (RTI). The settlement was paid on July 6, 2004. The Company recorded the related pretax charge of \$100,000 (\$63,000 after taxes and approximately 24 cents per diluted share) in the Company's results of operations for the three and nine months ended June 30, 2004.

#### Note 12 - Subsequent Event

On July 1, 2004, the Company acquired the outstanding equity interest in Atto Bioscience, Inc., a privately-held company specializing in optical instrumentation, software, and reagents for real-time analysis of interactions taking place in living cells. The purchase price was approximately \$25,300 in cash, subject to certain post-closing adjustments. The transaction will be recorded in the Company's financial statements during the fourth quarter of fiscal 2004.

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

### Company Overview

BD is a medical technology company that serves healthcare institutions, life science researchers, clinical laboratories, industry and the general public. BD manufactures and sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products. We focus strategically on achieving growth in three worldwide business segments - BD Medical ("Medical"), BD Diagnostics ("Diagnostics") and BD Biosciences ("Biosciences"). Our products are marketed in the United States and internationally through independent distribution channels, directly to end users and by sales representatives.

BD's management operates the business consistent with the following core strategies:

- o to increase revenue growth by focusing on products that deliver greater benefits to patients, healthcare workers and researchers;
- o to improve operating effectiveness and balance sheet productivity; and,
- o to strengthen organizational and associate capabilities in the ever-changing healthcare environment.

In assessing our implementation of these strategies and BD's financial condition and operating performance, management generally reviews quarterly forecast data, monthly actual results, segment sales and other similar information. We also consider trends related to certain key financial data, including gross profit margin, selling and administrative expense and cash flows, as further described below.

The results of our strategies are reflected in our third quarter 2004 performance. BD reported third quarter revenues of \$1.258 billion, an increase of 8% from the same period a year ago. After excluding the favorable impact of foreign currency translation, revenues for the quarter increased approximately 5%. For the nine-month period, reported revenues of \$3.728 billion represented an 11% increase from a year ago, or approximately 6% at constant foreign exchange rates. Sales in the United States of safety-engineered devices grew 14% to \$190 million in the third quarter of 2004. International revenue growth of 10% and 16% for the three and nine-month period, respectively, was favorably affected by foreign currency translation, primarily the Euro. After excluding the favorable impact of foreign currency translation, international revenues grew approximately 4% and 5% for the three and nine-month period, respectively. As further discussed in our 2003 Annual Report on Form 10-K, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that have fluctuated from the beginning of the period. We purchase option and forward contracts to partially protect against adverse foreign exchange rate movements.

Our balance sheet remains strong with net cash provided by operations at approximately \$822 million for the nine months ended June 30, 2004 and our debt-to-capitalization ratio (shareholders'

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equity, net non-current deferred income tax liabilities, and debt) was reduced to 26.7% at June 30, 2004 from 30.4% at September 30, 2003.

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 with higher gross profit margins across our business segments, and continue to improve operating efficiency and organizational effectiveness. Numerous factors can affect our ability to achieve these goals, including without limitation, U.S and global economic conditions, increased competition and healthcare cost containment initiatives.

Our anticipated revenue growth over the next three years is expected to come from the following:

- o Core business growth and expansion, including the continued transition to safety-engineered devices;
- o Expanding the sale of our high quality products around the globe; and,
- o Development in each business segment of new products and services that have higher benefits to patients, healthcare workers and researchers.

#### Results of Operations

##### Revenues

Refer to Note 5 in the Notes to Condensed Consolidated Financial Statements for segment financial data.

Medical Segment - Third quarter revenues of \$683 million represented an increase of 5% from the prior year's period, or 2% at constant foreign exchange rates. Medical revenues reflect the continued conversion in the United States to safety-engineered products which had sales of \$110 million, as compared with \$101 million in the prior year's quarter. The Medical sales growth rate in the current quarter was constrained by comparison to a particularly strong quarter in fiscal 2003. For the nine-month period, Medical revenue of \$1.992 billion represented growth from the prior period of 9%, or 4% excluding the favorable impact of foreign currency translation.

Diagnostics Segment - Third quarter revenues of \$374 million represented an increase of 11% over the prior year period, or 8% excluding the favorable impact of foreign currency translation. Diagnostics revenues reflect the continued conversion in the United States to safety-engineered products which had sales of \$80 million, as compared with \$66 million in the prior year's quarter. Revenues for the Diagnostic Systems unit grew 9% to \$172 million reflecting, among other things, solid worldwide sales of BD ProbeTec™ ET instrument platforms. For the nine-month period, Diagnostics revenues of \$1.158 billion represented growth from the prior year period of 13%, or 8% excluding the favorable impact of foreign currency translation.

Biosciences Segment - Third quarter revenues of \$201 million represented an increase of 12% over the prior year period, or 9% excluding the favorable impact of foreign currency translation. Instrument revenue growth was driven by sales of the recently launched BD FACSCanto™ and BD FACSAria™ analyzers and continued strong performance of the BD FACSAria™ cell sorter. Sales of flow cytometry reagents were also strong in both the clinical and research

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markets. Clontech revenues continue to be negatively affected by a slowdown in certain segments of the research market, as well as by competitive pressures. For the nine-month period, Biosciences revenues of \$578 million represented growth from the prior year period of 15%, or 9% excluding the favorable impact of foreign currency translation.

##### Segment Operating Income

## Medical Segment

Segment operating income for the third quarter was \$155 million, an increase of 3% when compared to \$150 million in the prior year's third quarter, reflecting the fluctuations in revenues, as discussed above. In addition, investment spending associated with our blood glucose monitoring ("BGM") products was offset, in part by the benefits resulting from the 2002 Medical restructuring plan (see Note 6 in the Notes to Condensed Consolidated Financial Statements). Segment operating income for the nine-month period was \$398 million (after taking into account \$45 million of BGM charges as discussed in Note 9 in Notes to the Condensed Consolidated Financial Statements), compared to \$403 million in the prior year period. Segment operating income growth for the nine-month period, excluding the BGM charges, reflects increased sales of products with higher gross profit margins and the benefits of the 2002 Medical restructuring plan.

## Diagnostics Segment

Segment operating income for the third quarter was \$86 million compared to \$72 million in the prior year's third quarter and reflects fluctuations in revenues as discussed above, as well as solid operational performance. Segment operating income for the nine-month period was \$271 million compared to \$223 million in the prior year period, and reflected increased sales of products with higher gross profit margins, including safety-engineered products and the BD ProbeTec™ ET instrument platform.

## Biosciences Segment

Segment operating income was \$42 million for the third quarter compared to a small loss in the prior year's quarter which included non-cash charges of \$34 million, as discussed below. Segment operating income for the nine-month period was \$117 million compared to \$47 million in the prior year nine-month period. Excluding the impact of the non-cash charges, segment operating income growth resulted from increased sales of flow cytometry products, including the BD FASCARIA™ cell sorter and recently launched BD FACSCanto™ and BD FACSAarray™ analyzers. In addition, segment operating income benefited from recent reductions in the number of employees of the Clontech and Pharmingen units.

During the third quarter of the prior year, we recorded non-cash charges of \$34 million in cost of products sold. The majority of these charges related to the third quarter decision to discontinue the development of certain products and product applications associated with the BD IMAGN™ instrument platform in the Biosciences segment. As a result, we recorded an impairment charge of \$27 million for the related intangible assets and inventory. In addition, as the result of a review of under-performing portions of its molecular biology product line, the Biosciences segment also wrote down the value of related inventory and intellectual property by \$7 million. See Note 7 in Notes to Condensed Consolidated Financial Statements for further discussion of the write down of the intangible assets.

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## Gross Profit Margin

Gross profit margin was 50.4% for the third quarter and 48.9% for the nine-month period, compared with 46.6% and 47.8%, respectively, for the comparable prior year periods. Excluding the BGM charges (see Note 9 in the Notes to Condensed Consolidated Financial Statements) in the current year and the \$34 million non-cash charges in the prior year, as described above, the increase in gross profit margin for the third quarter and nine-month period reflected increased sales of products with higher gross profit margins, including safety-engineered products, diabetes-related products and the BD ProbeTec™ ET instrument platform. In addition, gross profit margin benefited from the effects of the 2002 Medical restructuring plan, discussed above.

## Selling and Administrative Expense

Selling and administrative expense increased to 26.9% of revenues for the third quarter and 27.0% of revenues for the nine-month period, compared with the prior year's ratios of 26.5% and 26.6%, respectively. Aggregate expenses were higher for these periods, reflecting increased investment in various strategic initiatives, in particular, blood glucose monitoring products.

## Litigation Settlement

As discussed in Note 11 in Notes to Condensed Consolidated Financial Statements, BD recorded a pretax charge of \$100 million (approximately \$63 million after

taxes and approximately 24 cents per diluted share) in its results of operations for the three and nine months ended June 30, 2004 related to the settlement of the litigation brought by Retractable Technologies, Inc. (RTI).

#### Interest Expense, Net

Interest expense, net, decreased to \$4.1 million in the current quarter from \$9.7 million in the prior year's quarter. This decrease was primarily due to the conclusion of certain tax examinations during the current quarter which resulted in the recognition of interest income.

#### Income Taxes

The reported income tax rate was 16% for the third quarter and 21% for the nine-month period in the current year. The prior year's tax rates were 20% for the quarter, and 23% for the nine-month period which includes the effect of the non-cash charges discussed above. We expect the tax rate for the 2004 fiscal year to be approximately 23%, which reflects a 1% benefit due to the BGM charges, and a 1% benefit due to the settlement of litigation.

#### Net Income and Earnings Per Share

Net income and diluted earnings per share for the third quarter were \$109 million and 41 cents, respectively, compared with \$130 million and 49 cents in the comparable prior year period. The litigation settlement in the third quarter reduced net income by approximately \$63 million and diluted earnings per share by 24 cents. Non-cash charges in the prior year's quarter, as discussed above, reduced net income by approximately \$20 million and diluted earnings per share by 8 cents. Net income and diluted earnings per share for the current nine-month period were \$400 million and \$1.51, respectively, compared with \$386 million and \$1.46 in the prior year. BGM charges in the first quarter of 2004 reduced net income by \$28 million and diluted earnings per share by 11 cents.

#### Liquidity and Capital Resources

Net cash provided by operating activities, which continues to be our primary source of funds to finance operating needs and capital expenditures, was \$822 million during the nine-month period of fiscal 2004, and \$509 million in the same period in fiscal 2003. Net cash provided by operations was reduced by \$18 million and \$100 million in discretionary cash contributions to the U.S. pension plan during the first nine months of fiscal 2004 and fiscal 2003, respectively. BD's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet the minimum funding requirement of the Employee Retirement Income Security Act of 1974, plus any additional amounts that management may determine to be appropriate considering the funded status of the plans, tax deductibility, our cash flows, and other factors. As further discussed in our fiscal year 2003 Annual Report on Form 10-K, changes in pension costs may occur in the future due to changes in assumptions inherent in the actuarial valuations used, in part, to determine the Company's minimum funding obligations. The litigation settlement, referred to above, was paid in July 2004 and the payment will be reflected in the Consolidated Statement of Cash Flows during the fourth quarter of fiscal 2004.

Net cash used for investing activities for the nine-month period of the current year was \$259 million, compared to \$244 million in the same period a year ago. Capital expenditures were \$170 million in the first nine months of fiscal 2004 and \$168 million in the same period in fiscal 2003. We expect capital spending for fiscal 2004 to be between \$275 million and \$300 million. Capitalized software in the nine-month period of fiscal 2004 included approximately \$19 million of costs associated with a business information systems upgrade within our Biosciences segment in the United States, which was not within the scope of our "Genesis" worldwide systems implementation which was substantially completed in 2003. Similar to our accounting for the costs of Genesis, these costs are capitalized in accordance with the AICPA's Statement of Position 98-1 "Accounting for Costs of Computer Software Developed or Obtained for Internal Use."

Net cash used for financing activities in the nine-month period of the current year was \$423 million, compared to \$64 million in the prior year period, and included the repurchase of shares of our common stock for approximately \$350 million, compared to approximately \$206 million in the prior year period. As of June 30, 2004, authorization to repurchase an additional 6.2 million common shares remained under a January 2004 resolution of the Board of Directors. Stock repurchases were offset, in part, by the issuance of common stock from treasury due to the exercising of stock options by employees. In the current year, cash used for the repayment of debt was approximately \$122 million while, in the prior year, proceeds from the issuance of debt were approximately \$410

million, of which \$270 million was used to repay short-term debt. As of June 30, 2004, total debt of \$1.2 billion represented 26.7% of total capital (shareholders' equity, net non-current deferred income tax liabilities, and debt), down from 30.4% at September 30, 2003. We have in place a commercial paper borrowing program that is available to meet our short-term financing needs, including working capital requirements. There were no borrowings outstanding under this program as of June 30, 2004. As discussed in our fiscal year 2003 Annual Report on Form 10-K, we had in place two syndicated credit facilities totaling \$900 million in order to provide backup support for our commercial paper program and for other general corporate purposes. These consisted of a \$450 million 364-day Credit Agreement expiring in August 2004 and a \$450 million Five Year Credit Agreement expiring in August 2006. In August 2004, we amended and restated the Five Year Credit Agreement, increasing the amount available from \$450 million to \$900 million and extending the expiration date from August 2006

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to August 2009. At the same time, we terminated the \$450 million 364-day Credit Agreement due to expire in August 2004. Therefore, total syndicated credit facilities continue to be \$900 million. The amended and restated facility contains a single financial covenant that requires BD to maintain an interest expense coverage ratio (ratio of earnings before income taxes, depreciation and amortization to interest expense) of not less than 5-to-1 for the most recent four consecutive fiscal quarters. For the last eight consecutive fiscal quarters, this ratio has ranged from 16-to-1 up to 20-to-1. Given the availability of this facility and our strong credit ratings, we continue to have a high degree of confidence in our ability to refinance debt maturities, as well as to incur substantial additional debt, if required.

BD's ability to generate cash flow from operations, issue debt, enter into other financing arrangements and attract long-term capital on acceptable terms could be adversely affected in the event there was a material decline in the demand for BD's products, deterioration in BD's key financial ratios or credit ratings, or other significantly unfavorable changes in conditions. While a deterioration in the Company's credit ratings would increase the costs associated with maintaining and borrowing under its existing credit arrangements, such a downgrade would not affect the Company's ability to draw on these credit facilities, nor would it result in an acceleration of the scheduled maturities of any outstanding debt.

#### Critical Accounting Policies

The preparation of financial statements in accordance with generally accepted accounting principles ("GAAP") requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. A summary of our significant accounting policies is included in Note 1 to our consolidated financial statements for the year ended September 30, 2003, which are incorporated by reference in our 2003 Annual Report on Form 10-K. Certain of our accounting policies are considered critical, as summarized in the Financial Review section of our 2003 Annual Report on Form 10-K, as these policies are the most important to the depiction of our financial statements and require significant, difficult or complex judgments by management, often employing the use of estimates about the effects of matters that are inherently uncertain. Estimation methodologies are applied consistently from year to year. There have been no significant changes in the application of the critical accounting policies since September 30, 2003. These critical accounting policies have been reviewed with the Audit Committee of the Board of Directors.

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#### Use of Non-GAAP Financial Measures

When discussing BD's financial performance, we at times will present certain non-GAAP financial measures, as follows:

- o BD presents its revenue growth rates at constant foreign exchange rates. Management believes that presenting growth rates at constant foreign exchange rates allows investors to view the actual operating results of BD and of its segments without the impact of fluctuations in foreign currency exchange rates, thereby facilitating comparisons to prior periods.
- o BD presents its earnings per share and other financial measures after

excluding the impact of significant charges and the impact of unusual or non-recurring items. Management believes that excluding such impact from earnings per share and other financial measures allows investors to more easily compare BD's financial performance to prior periods and to understand the operating results of BD without the effects of these significant charges and unusual or non-recurring items.

BD's management considers these non-GAAP financial measures internally in evaluating our performance for the reasons expressed above. Investors should consider these non-GAAP measures in addition to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

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BECTON, DICKINSON AND COMPANY  
 SUPPLEMENTAL REVENUE INFORMATION  
 REVENUES BY BUSINESS SEGMENTS AND UNITS  
 Three Months Ended June 30,  
 (Unaudited; Amounts in thousands)

<TABLE>  
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	U.S. Revenues		
	2004	2003	% Change
<S>	<C>	<C>	<C>
BD MEDICAL			
Medical Surgical Systems	\$200,407	\$190,831	5.0
Diabetes Care	85,693	81,329	5.4
Pharmaceutical Systems	24,382	28,029	(13.0)
Ophthalmic Systems	5,830	5,847	(0.3)
TOTAL	\$316,312	\$306,036	3.4
BD DIAGNOSTICS			
Preanalytical Systems	\$113,305	\$102,869	10.1
Diagnostic Systems	93,537	88,019	6.3
TOTAL	\$206,842	\$190,888	8.4
BD BIOSCIENCES			
Discovery Labware	\$ 26,353	\$ 25,053	5.2
Immunocytometry Systems	39,871	34,960	14.0
Clontech	8,076	8,091	(0.2)
Pharming	19,156	18,060	6.1
TOTAL	\$ 93,456	\$ 86,164	8.5
TOTAL UNITED STATES	\$616,610	\$583,088	5.7

</TABLE>

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BECTON, DICKINSON AND COMPANY  
 SUPPLEMENTAL REVENUE INFORMATION  
 REVENUES BY BUSINESS SEGMENTS AND UNITS  
 Three Months Ended June 30, (continued)  
 (Unaudited; Amounts in thousands)

<TABLE>  
 <CAPTION>

International Revenues				
% Change				
2004	2003	Reported	FX Neutral	FX Impact



<S>	<C>	<C>	<C>	<C>	<C>
BD MEDICAL					
Medical Surgical Systems	\$188,824	\$179,543	5.2	0.2	5.0
Diabetes Care	62,299	55,785	11.7	5.2	6.5
Pharmaceutical Systems	106,829	99,319	7.6	0.4	7.2
Ophthalmic Systems	8,381	7,745	8.2	(0.1)	8.3
TOTAL	\$366,333	\$342,392	7.0	1.0	6.0
BD DIAGNOSTICS					
Preanalytical Systems	\$ 88,640	\$ 77,503	14.4	7.8	6.6
Diagnostic Systems	78,713	69,792	12.8	6.2	6.6
TOTAL	\$167,353	\$147,295	13.6	7.0	6.6
BD BIOSCIENCES					
Discovery Labware	\$ 21,397	\$ 21,596	(0.9)	(7.4)	6.5
Immunocytometry Systems	62,237	49,121	26.7	20.0	6.7
Clontech	6,858	7,720	(11.2)	(17.1)	5.9
Pharmingen	16,967	14,157	19.8	11.6	8.2
TOTAL	\$107,459	\$ 92,594	16.1	9.2	6.9
TOTAL INTERNATIONAL	\$641,145	\$582,281	10.1	3.9	6.2

</TABLE>

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BECTON, DICKINSON AND COMPANY  
SUPPLEMENTAL REVENUE INFORMATION  
REVENUES BY BUSINESS SEGMENTS AND UNITS  
Three Months Ended June 30, (continued)  
(Unaudited; Amounts in thousands)

<TABLE>  
<CAPTION>

<S>	Total Revenues				
	% Change				
	2004	2003	Reported	FX Neutral	FX Impact
<C>	<C>	<C>	<C>	<C>	
BD MEDICAL					
Medical Surgical Systems	\$ 389,231	\$ 370,374	5.1	2.7	2.4
Diabetes Care	147,992	137,114	7.9	5.3	2.6
Pharmaceutical Systems	131,211	127,348	3.0	(2.6)	5.6
Ophthalmic Systems	14,211	13,592	4.6	(0.2)	4.8
TOTAL	\$ 682,645	\$ 648,428	5.3	2.1	3.2
BD DIAGNOSTICS					
Preanalytical Systems	\$ 201,945	\$ 180,372	12.0	9.1	2.9
Diagnostic Systems	172,250	157,811	9.1	6.2	2.9
TOTAL	\$ 374,195	\$ 338,183	10.6	7.8	2.8
BD BIOSCIENCES					
Discovery Labware	\$ 47,750	\$ 46,649	2.4	(0.7)	3.1
Immunocytometry Systems	102,108	84,081	21.4	17.5	3.9
Clontech	14,934	15,811	(5.5)	(8.5)	3.0
Pharmingen	36,123	32,217	12.1	8.5	3.6
TOTAL	\$ 200,915	\$ 178,758	12.4	8.9	3.5
TOTAL REVENUES	\$1,257,755	\$1,165,369	7.9	4.8	3.1

</TABLE>

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BECTON, DICKINSON AND COMPANY  
SUPPLEMENTAL REVENUE INFORMATION  
REVENUES BY BUSINESS SEGMENTS AND UNITS  
Nine Months Ended June 30,  
(Unaudited; Amounts in thousands)

<TABLE>  
<CAPTION>

	U.S. Revenues		
	2004	2003	% Change
<S>	<C>	<C>	<C>
BD MEDICAL			
Medical Surgical Systems	\$ 595,344	\$ 564,313	5.5
Diabetes Care	249,272	240,483	3.7
Pharmaceutical Systems	79,013	72,351	9.2
Ophthalmic Systems	17,118	18,109	(5.5)
TOTAL	\$ 940,747	\$ 895,256	5.1
BD DIAGNOSTICS			
Preanalytical Systems	\$ 329,396	\$ 306,850	7.3
Diagnostic Systems	301,782	281,776	7.1
TOTAL	\$ 631,178	\$ 588,626	7.2
BD BIOSCIENCES			
Discovery Labware	\$ 74,233	\$ 71,399	4.0
Immunocytometry Systems	104,768	87,300	20.0
Clontech	23,163	24,353	(4.9)
Pharminggen	53,638	50,994	5.2
TOTAL	\$ 255,802	\$ 234,046	9.3
TOTAL UNITED STATES	\$1,827,727	\$1,717,928	6.4

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BECTON, DICKINSON AND COMPANY  
SUPPLEMENTAL REVENUE INFORMATION  
REVENUES BY BUSINESS SEGMENTS AND UNITS  
Nine Months Ended June 30, (continued)  
(Unaudited; Amounts in thousands)

<TABLE>  
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	International Revenues				
	2004	2003	% Change		
			Reported	FX Neutral	FX Impact
<S>	<C>	<C>	<C>	<C>	<C>
BD MEDICAL					
Medical Surgical Systems	\$ 552,210	\$ 492,978	12.0	2.6	9.4
Diabetes Care	181,814	150,008	21.2	9.0	12.2
Pharmaceutical Systems	292,773	262,048	11.7	(0.8)	12.5
Ophthalmic Systems	24,610	21,594	14.0	2.5	11.5
TOTAL	\$1,051,407	\$ 926,628	13.5	2.7	10.8
BD DIAGNOSTICS					
Preanalytical Systems	\$ 253,472	\$ 216,782	16.9	5.5	11.4
Diagnostic Systems	273,365	221,229	23.6	12.5	11.1
TOTAL	\$ 526,837	\$ 438,011	20.3	9.1	11.2

BD BIOSCIENCES					
Discovery Labware	\$ 66,953	\$ 60,511	10.6	(0.2)	10.8
Immunocytometry Systems	183,047	144,313	26.8	15.6	11.2
Clontech	22,911	24,501	(6.5)	(15.5)	9.0
Pharmingen	48,927	39,166	24.9	11.7	13.2
<b>TOTAL</b>	<b>\$ 321,838</b>	<b>\$ 268,491</b>	<b>19.9</b>	<b>8.6</b>	<b>11.3</b>
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TOTAL INTERNATIONAL	\$1,900,082	\$1,633,130	16.3	5.4	10.9

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BECTON, DICKINSON AND COMPANY  
SUPPLEMENTAL REVENUE INFORMATION  
REVENUES BY BUSINESS SEGMENTS AND UNITS  
Nine Months Ended June 30, (continued)  
(Unaudited; Amounts in thousands)

<TABLE>  
<CAPTION>

	Total				
	2004	2003	% Change		
			Reported	FX Neutral	FX Impact
<S>	<C>	<C>	<C>	<C>	<C>
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BD MEDICAL					
Medical Surgical Systems	\$1,147,554	\$1,057,291	8.5	4.1	4.4
Diabetes Care	431,086	390,491	10.4	5.7	4.7
Pharmaceutical Systems	371,786	334,399	11.2	1.4	9.8
Ophthalmic Systems	41,728	39,703	5.1	(1.1)	6.2
<b>TOTAL</b>	<b>\$1,992,154</b>	<b>\$1,821,884</b>	<b>9.3</b>	<b>3.9</b>	<b>5.4</b>
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BD DIAGNOSTICS					
Preanalytical Systems	\$ 582,868	\$ 523,632	11.3	6.6	4.7
Diagnostic Systems	575,147	503,005	14.3	9.5	4.8
<b>TOTAL</b>	<b>\$1,158,015</b>	<b>\$1,026,637</b>	<b>12.8</b>	<b>8.0</b>	<b>4.8</b>
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BD BIOSCIENCES					
Discovery Labware	\$ 141,186	\$ 131,910	7.0	2.1	4.9
Immunocytometry Systems	287,815	231,613	24.3	17.2	7.1
Clontech	46,074	48,854	(5.7)	(10.2)	4.5
Pharmingen	102,565	90,160	13.8	8.0	5.8
<b>TOTAL</b>	<b>\$ 577,640</b>	<b>\$ 502,537</b>	<b>14.9</b>	<b>8.9</b>	<b>6.0</b>
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TOTAL REVENUES	\$3,727,809	\$3,351,058	11.2	5.9	5.3

Cautionary Statement Pursuant to Private Securities Litigation Reform Act of 1995 -- "Safe Harbor" for Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of Becton, Dickinson and Company ("BD"). BD and its representatives may from time to time make certain forward-looking statements in publicly-released materials, both written and oral, including statements contained in this report and filings with the Securities and Exchange Commission and in our other reports to shareholders. Forward-looking statements may be identified by the use of words like "plan," "expect," "believe," "intend," "will," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance, as well as our strategy for growth, product development, regulatory approvals, market position and expenditures. All statements which address operating performance or events or developments that we expect or anticipate will occur in the future -- including statements relating to volume growth, sales and earnings per share growth and statements expressing views about future operating results -- are forward-looking statements within

Forward-looking statements are based on current expectations of future events. The forward-looking statements are and will be based on management's then-current views and assumptions regarding future events and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate or unknown 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 whether as a result of new information, future events and developments or otherwise.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements:

- o Regional, national and foreign economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins.
- o Competitive product and pricing pressures and our ability to gain or maintain market share in the global market as a result of actions by competitors, including technological advances achieved and patents attained by competitors, particularly as patents on our products expire. While we believe our opportunities for sustained, profitable growth are considerable, actions of competitors could impact our earnings, share of sales and volume growth.
- o Changes in domestic and foreign healthcare industry practices and regulations resulting in increased pricing pressures, including the continued consolidation among healthcare providers, trends toward managed care and healthcare cost containment and government laws and regulations relating to sales and promotion, reimbursement and pricing generally.
- o The effects, if any, of governmental and media activities relating to U.S. Congressional hearings regarding the business practices of group purchasing organizations, which negotiate product prices on behalf of their member hospitals with BD and other suppliers.
- o Fluctuations in the cost and availability of raw materials and the ability to maintain favorable supplier arrangements and relationships.
- o Our ability to obtain the anticipated benefits of any restructuring programs that we may undertake.
- o Adoption of or changes in government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxation, environmental matters, sales practices, price controls, licensing and regulatory approval of new products, or changes in enforcement practices with respect to any such laws and regulations.
- o Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, complete clinical trials, obtain regulatory approvals in the United States and abroad, or gain and maintain market approval of products, and the possibility of encountering infringement claims by competitors with respect to patent or other

intellectual property rights, all of which can preclude or delay commercialization of a product.

- o Pending and potential litigation or other proceedings adverse to BD, including product liability claims, patent infringement claims, and antitrust claims, as well as other risks and uncertainties detailed from time to time in our Securities and Exchange Commission filings.
- o The effects, if any, of adverse media exposure or other publicity regarding

BD's business or operations.

- o Our ability to achieve earnings forecasts, which are generated based on projected volumes and sales of many product types, some of which are more profitable than others. There can be no assurance that we will achieve the projected level or mix of product sales.
- o The effect of market fluctuations on the value of assets in BD's pension plans and the possibility that BD may need to make additional contributions to the plans as a result of any decline in the value of such assets.
- o Our ability to effect infrastructure enhancements and incorporate new systems technologies into our operations.
- o Product efficacy or safety concerns resulting in product recalls, regulatory action on the part of the Food and Drug Administration (or foreign counterparts) or declining sales.
- o Economic and political conditions in international markets, including civil unrest, governmental changes and restrictions on the ability to transfer capital across borders.
- o Our ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and our ability to successfully acquire or form strategic business alliances with local companies and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment and technology.
- o The impact of business combinations, including acquisitions and divestitures, both internally for BD and externally, in the healthcare industry.
- o Issuance of new or revised accounting standards by the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board.

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 fiscal year ended September 30, 2003.

### Item 4. Controls and Procedures

An evaluation was carried out by BD's management, with the participation of our 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, 2004. 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, 2004 identified in connection with the above-referenced evaluation that has materially affected, or is reasonably likely to materially affect, our 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.

A more complete description of legal proceedings has been set forth in our 2003 Annual Report on Form 10-K (the "10-K") and our Form 10-Q for the quarter ended March 31, 2004. During the quarter ended June 30, 2004 and subsequent thereto, the following changes have occurred.

Litigation - Other than Environmental

#### RTI Litigation

The action entitled Retractable Technologies, Inc. ("RTI") vs. Becton Dickinson and Company, et al. (Civil Action No. 501 CV 036, United States District Court, Eastern District of Texas) was settled on July 2, 2004. Under the terms of the settlement, the Company paid \$100 million to the plaintiff, in exchange for a general release of all claims (excluding certain patent matters) and a dismissal of the case with prejudice, which means that this case cannot be re-filed.

#### Greiner Litigation

In the suit brought by C.A. Greiner & Soehne GmbH ("Greiner") against BD UK Limited in the Patent Court of the Central London County Court in London, England, a trial date has been set for May 9, 2005.

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#### Therasense Litigation

On May 28, 2004, Therasense, Inc. ("Therasense") filed suit against BD in the U.S. District Court for the Northern District of California (Case Number: C 04-02123 WDB) asserting that BD's Blood Glucose Monitoring products infringe certain Therasense patents. On August 10, 2004, in response to a motion filed by Therasense in the U.S. District Court for the District of Massachusetts, the court transferred to the court in California an action previously filed by BD against Therasense requesting a declaratory judgment that BD's products do not infringe the Therasense patents and that the Therasense patents are invalid. BD believes that Therasense's infringement allegations are without merit and intends to vigorously defend the lawsuit.

#### Qui Tam Lawsuit

The Company has been informed by the Civil Division of the U.S. Department of Justice (the "Civil Division") that a private party has filed a qui tam complaint against the Company alleging violations of the Federal False Claims Act. Under the FCA, the Civil Division has a certain period of time in which to decide whether to join the claim against the Company as an additional plaintiff; if not, the private plaintiff is free to pursue the claim on its own. To the Company's knowledge, no decision has yet been made by the Civil Division whether to join this claim. As of this date, no complaint has been served upon the Company, and this matter is currently under seal by the Court. We believe that our business practices have complied with applicable laws.

#### Other

BD has been informed that the U.S. Attorney's Office is conducting an investigation of transactions between a company and certain of its suppliers, including BD and, in connection with this investigation, certain administrative subpoenas requesting BD documents have been issued. BD believes that its transactions with the other company have fully complied with the law and that BD is not currently a target of this investigation. BD intends to cooperate fully in responding to its subpoena.

#### Summary

Given the uncertain nature of litigation generally, we are not able to estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In accordance with generally accepted accounting principles, BD establishes reserves to the extent probable future losses are estimable. While we believe that the claims against BD are without merit and, upon resolution, should not have a material adverse effect on BD, in view of the uncertainties discussed above, we could incur charges in excess of any currently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid. We continue to believe that we have valid defenses to each of the suits pending against BD and are engaged in a vigorous defense of each of these matters.

#### Environmental Matters

We are also a party to a number of federal proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. For all sites, there are other potentially responsible parties that may be jointly or severally liable to pay all cleanup costs. We accrue costs for estimated environmental liabilities based upon our best estimate within the range of probable losses, without considering possible third-party recoveries. While we believe that, upon resolution, the environmental claims against BD should not have a material adverse effect on BD, we could incur charges in excess of presently established reserves and, to the extent available, excess liability insurance. Accordingly, in the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations and consolidated net cash flows in the period or periods in which they are recorded or paid.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

The table below sets forth certain information regarding our purchases of common stock of BD during the fiscal quarter ended June 30, 2004.

Issuer Repurchases of Equity Securities

<TABLE>  
<CAPTION>

For the three months ended June 30, 2004	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that may yet be Purchased Under the Plans or Programs
<S>	<C>	<C>	<C>	<C>
April 1 - 30, 2004	402,959	\$50.58	400,000	9,281,000
May 1 - 31, 2004	2,615,439	\$49.29	2,615,000	6,666,000
June 1 - 30, 2004	505,704	\$51.42	505,286	6,160,714
Total	3,524,102	\$49.74	3,520,286	6,160,714

</TABLE>

- (1) Includes 3,816 shares purchased during the third quarter in open market transactions by the trustee under the Deferred Compensation Plan and the 1996 Directors' Deferral Plan.
- (2) These repurchases were made pursuant to a repurchase program for 10 million shares announced on January 27, 2004 (the "2004 Program"). There is no expiration date for the 2004 Program.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

Not applicable.

## Item 6. Exhibits and Reports on Form 8-K.

## a) Exhibits

- Exhibit 3 By-Laws, as amended and restated as of July 27, 2004
- Exhibit 10(a) 1996 Directors' Deferral Plan, as amended as of May 25, 2004
- Exhibit 10(b) Deferred Compensation Plan, as amended and restated as of March 22, 2004
- Exhibit 10(c) Stock Award Plan, as amended and restated as of May 25, 2004
- Exhibit 10(d) Amended and Restated Five-Year Credit Agreement, dated as of August 13, 2004 among the registrant and the banks named therein.
- Exhibit 31 Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
- Exhibit 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.

## b) Reports on Form 8-K

During the three-month period ended June 30, 2004, we filed a Current Report on Form 8-K to report the declaration of our quarterly dividend.

In addition, during the three-month period ended June 30, 2004, we furnished the following information pursuant to a Current Report on Form 8-K:

- (1) In a report dated April 22, 2004, we announced our results for the second quarter ended March 31, 2004.
- (2) In a report dated May 27, 2004, we furnished information regarding a change in beneficial ownership by an executive officer.

## 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 13, 2004

/s/ John R. Considine

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John R. Considine  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

/s/ William A. Tozzi

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William A. Tozzi  
Vice President and Controller  
(Chief Accounting Officer)



## INDEX TO EXHIBITS

Exhibit Number	Description of Exhibits
-----	-----
3	By-Laws, as amended and restated as of July 27, 2004
10(a)	1996 Directors' Deferral Plan, as amended as of May 25, 2004
10(b)	Deferred Compensation Plan, as amended and restated as of March 22, 2004
10(c)	Stock Award Plan, as amended and restated as of May 25, 2004
10(d)	Amended and Restated Five-Year Credit Agreement, dated as of August 13, 2004 among the registrant and the banks named therein.
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.

## STATEMENT OF DIFFERENCES

The trademark symbol shall be expressed as..... 'TM'  
The section symbol shall be expressed as..... 'SS'

BY-LAWS  
of  
BECTON, DICKINSON AND COMPANY  
A New Jersey Corporation  
as Amended and Restated as of July 27, 2004

ARTICLE I  
Offices  
-----

The registered office of Becton, Dickinson and Company ("Company") shall be in the Borough of Franklin Lakes, County of Bergen, State of New Jersey or such other place within or without the State of New Jersey as the Board of Directors may designate. The Company may also establish and have such other offices within or without the State of New Jersey, as the Board of Directors may designate or its business may require.

ARTICLE II  
Meetings of Shareholders  
-----

SECTION 1. PLACE OF MEETINGS. Meetings of the shareholders shall be held at the registered office of the Company in New Jersey, or at such other place, within or without the State of New Jersey, as may be designated by the Board of Directors and stated in the notice of the meeting.

SECTION 2.A. ANNUAL MEETINGS. The annual meeting of shareholders for the election of directors and the transaction of such other business as may be related to the purposes set forth in the notice of the meeting shall be held at such time as may be fixed by the Board of Directors.

B. SPECIAL MEETING FOR ELECTION OF DIRECTORS. If the annual meeting of shareholders is not held on the date designated, the Board of Directors may call a special meeting of the shareholders for the election of directors and the transaction of other business.

C. SPECIAL MEETINGS. Special meetings of the shareholders may be called by the Board of Directors or by the Chairman of the Board or by the President, and shall be called by the Chairman of the Board or by the President upon written request of a majority of the Directors then in office, which request shall state the time, place and purpose of the meeting.

D. ADVANCE NOTICE OF NOMINATIONS AND BUSINESS TO BE TRANSACTED AT ANNUAL MEETINGS OF SHAREHOLDERS. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any shareholder of the Company (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 2.D. and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 2.D.

In addition to any other applicable requirements, for nominations of persons for election to the Board of Directors or for other business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Company.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided however, that in the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the shareholder in order to be timely must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of shareholder's notice as described above.

Notwithstanding anything in the first sentence of the preceding paragraph to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no notice or public disclosure by the Company naming all of the nominees for director or specifying the size of the increased Board of Directors at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 2.D. shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made.

To be in proper written form, a shareholder's notice to the Secretary must set forth (a) as to each person whom the shareholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (b) as to each matter such shareholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (c) the name and record address of such shareholder, (d) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder, (e) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with such nomination or proposal of such business by such shareholder and any material interest of such shareholder in such business and (f) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

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No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.D; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in Section 2.D. shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

SECTION 3. QUORUM. The presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast at a meeting shall constitute a quorum. The shareholders present in person or by proxy at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. If a quorum not be present or represented at any meeting, the Chairman of the meeting or a majority of the shareholders present in person, or by proxy, shall have power to adjourn the meeting without notice until the required voting shares shall be represented. At such adjourned meeting with the requisite amount of voting shares represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 4. NOTICE OF MEETINGS. A written notice of each annual or special meeting of the shareholders of the Company, signed by the Chairman of the Board or the President or the Secretary, which shall state the time, place and purpose of such meeting, shall be delivered personally or mailed, not less than 10 days nor more than 60 days before the date of any such meeting, to each shareholder of record entitled to vote at such meeting. If mailed, the notice shall be directed to the shareholder at his address as it appears on the records of the stock transfer agent. Any shareholder, in person or by proxy, may at any time by a duly signed statement in writing to that effect, waive any statutory or other notice of any meeting, whether such statement be signed before or after such meeting.

SECTION 5. VOTING. At all meetings of the shareholders, each holder of common stock having the right to vote, and present at the meeting in person or by proxy, shall be entitled to one vote for each full share of common stock of the Company entitled to vote and registered in his name. Each holder of preferred stock of any series shall have such voting powers, if any, as the Board of Directors shall have fixed by resolution prior to the issuance of any shares of such series. Whenever any action is to be taken by vote of the

shareholders, it shall be authorized by a majority of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote, unless a greater plurality is required by law or the Certificate of Incorporation.

SECTION 6. PROXIES. Any shareholder of record entitled to vote may be represented at any annual or special meeting of the shareholders by a duly appointed proxy. All proxies shall be written and properly signed, but shall require no other attestation, and shall be filed with the Secretary of the meeting before being voted.

SECTION 7. ORGANIZATION. The Chairman of the Board, or in the absence of the Chairman of the Board, the Vice Chairman or the President, shall act as

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chairman of the meeting at all meetings of the shareholders. The Secretary, or in his absence one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as Chairman or Secretary of the meeting shall be present, a chairman or a secretary of the meeting, as the case may be, shall be chosen by a vote of the shareholders.

SECTION 8. ORDER OF BUSINESS. The order of business at all meetings of the shareholders shall be as determined by the Chairman of the meeting, but the order of business to be followed at any meeting at which a quorum is present may be changed by a vote of the shareholders.

SECTION 9. RECORD DATE FOR ACTION BY WRITTEN CONSENT. In order that the Corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days of the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in New Jersey, its principal place of business or to any officer or agent of the Corporation having custody of the book in which proceedings of meetings of shareholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action. Nothing in this Article II, Section 9 shall require the Board of Directors to take any action with respect to any proposed action or other proposal for which consent is sought other than to fix a record date as provided for herein; and the fixing of any such record date shall not be deemed to be an action taken by the Board of Directors with respect to any such proposed action or other proposal for which consent is sought for any other purpose.

SECTION 10. INSPECTORS OF WRITTEN CONSENT. In the event of the delivery, in the manner provided by Article II, Section 9, to the Company of the requisite written consent or consents to take corporate action and/or any related revocation or revocations, the Company shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such

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date as the independent inspectors certify to the Company that the consents delivered to the Company in accordance with Article II, Section 9 represent at

least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

SECTION 11. EFFECTIVENESS OF WRITTEN CONSENT. Every written consent shall bear the date of signature of each shareholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated written consent received in accordance with Article II, Section 9, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Company in the manner prescribed in Article II, Section 9.

ARTICLE III  
Directors  
-----

SECTION 1. QUALIFICATIONS. Each Director shall be at least 21 years of age, a shareholder of record of the Company, and shall be elected in the manner provided by these By-Laws.

SECTION 2. DUTIES AND POWERS. The Board of Directors shall control and manage the business and affairs of the Company, and shall exercise all powers of the Company and perform all acts which are not required to be exercised or performed by the shareholders. The Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Company as they may deem proper.

SECTION 3. PLACE OF MEETINGS. Meetings of the Board of Directors shall be held at the principal office of the Company or at such other place within or without the State of New Jersey, as the Chairman of the Board or the Board may designate.

SECTION 4. TELEPHONE MEETINGS. Any or all Directors may participate in a meeting of the Board or a committee of the Board by means of conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other.

SECTION 5. NOTICE OF MEETINGS. There shall be an annual meeting of the Board of Directors held without notice immediately following the annual meeting of shareholders, or as soon thereafter as convenient, at the same place as the annual meeting of shareholders unless some other location is designated by the Chairman of the Board or by the President. Regular meetings, without notice, may be held at such time and place as the Board of Directors may designate. The Chairman of the Board or the President may call any special meeting of the Board of Directors, and shall do so whenever

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requested in writing by at least one-third of the Directors. Notice of each special meeting shall be mailed to each director at least four days before the date on which the meeting is to be held, or be telephoned or sent to each Director by telegraph, telex, TWX, cable, wireless or similar means of communication, or be delivered in person, not later than the day before the date on which such meeting is to be held. The Board of Directors may meet to transact business at any time and place without notice, provided that each director shall be present, or that any Director or Directors not present shall waive notice in writing, either before or after such meeting. The attendance of any Director at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting shall constitute a waiver of notice by him. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning and if the period of adjournment does not exceed 10 days in any one adjournment.

SECTION 6. QUORUM. A majority of the Directors then in office shall constitute a quorum for the transaction of business, but the Director or Directors present, if less than a quorum, may adjourn any meeting from time to time until such quorum shall be present. All questions coming before the Board of Directors shall be determined and decided by a majority vote of the Directors present, unless the vote of a greater number is required by statute, the Certificate of Incorporation or these By-Laws.

SECTION 7. ACTION WITHOUT A MEETING. The Board of Directors may act without a meeting if, prior or subsequent to such action, each Director shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

SECTION 8. COMPENSATION OF DIRECTORS. The Board may, by the affirmative vote of a majority of the Directors then in office, fix reasonable fees or compensation of the Directors for services to the Company, including attendance at meetings of the Board of Directors or Committees of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor. Each Director shall be entitled to receive reimbursement for reasonable expenses incurred in the performance of his duties.

ARTICLE IV  
Committees  
-----

SECTION 1. HOW CONSTITUTED AND POWERS. The Board of Directors, by resolution of a majority of the Directors then in office, shall appoint from among its members the committees enumerated in the By-laws and may appoint one or more other committees. The Board shall designate one member of each committee its chairman. To the extent provided in the By-law or any resolution conferring or limiting its powers each committee shall have and may exercise all the authority of the Board, except that no committee shall:

- (a) make, alter, or repeal any By-law of the Company;

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- (b) elect, appoint or remove any Director, or elect, appoint or remove any corporate officer;
- (c) submit to shareholders any action that requires approval of shareholders;
- (d) amend or repeal any resolution adopted by the Board of Directors which by its terms is amendable or repealable only by the Board;
- (e) act on matters assigned to other committees appointed by the Board of Directors;
- (f) declare or pay any dividends or issue any additional shares of authorized and unissued capital stock; or
- (g) create, dissolve or fill any vacancy on any committee appointed by the Board of Directors.

The Board, by resolution of a majority of the Directors then in office may fill any vacancy in any committee; appoint one or more alternate members of any committee to act in the absence or disability of members of such committees with all the powers of such absent or disabled members; or remove any director from membership on any committee.

SECTION 2. AUDIT COMMITTEE.

Purpose

The Audit Committee is created by the Board of Directors of the Company to:

- o assist the Board in its oversight of
  - o the integrity of the financial statements of the Company;
  - o the qualifications, independence and performance of the Company's independent auditors;
  - o the performance of the Company's internal audit function; and
  - o compliance by the Company with legal and regulatory requirements; and
- o prepare the audit committee report that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

Membership

The Audit Committee shall consist of at least three members, comprised solely of independent directors meeting the independence and experience requirements of the New York Stock Exchange. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Audit Committee annually and as vacancies or newly created positions occur. Audit Committee members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chair of the Audit Committee.

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#### Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Audit Committee is responsible for the following matters:

#### Independent Auditors

- o The Audit Committee has the sole authority to appoint, compensate, retain and terminate the independent auditors of the Company (subject, if applicable, to shareholder ratification), including sole authority to approve all audit engagement fees and terms and all non-audit services to be provided by the independent auditors. The Audit Committee shall pre-approve all engagements for audit services and each non-audit service to be provided by the Company's independent auditors. The Audit Committee may consult with management in the decision making process, but may not delegate this authority to management. The Audit Committee may, from time to time, delegate its authority to pre-approve non-audit services to one or more Audit Committee members, provided that such designees present any such approvals to the full Audit Committee at the next Audit Committee meeting. The independent auditors shall report directly to the Audit Committee.
- o The Audit Committee shall review and approve the scope and staffing of the independent auditors' annual audit plan(s) and shall oversee the audit and audit-related work of the independent auditors, including resolution of disagreements, if any, between management and the auditor regarding financial reporting.
- o The Audit Committee shall evaluate the independent auditors' qualifications, performance and independence, and shall present its conclusions and recommendations with respect to the independent auditors to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Audit Committee shall:
  - o obtain and review a report or reports from the Company's independent auditors:
    - o describing the independent auditors' internal quality-control procedures;
    - o describing any material issues raised by (i) the most recent internal quality-control review or peer review of the auditing firm, or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps taken to deal with any such issues;
    - o describing all relationships between the independent auditors and the Company; and
    - o assuring that Section 10A of the Securities Exchange Act of 1934 has not been implicated;
  - o review and evaluate the partners of the independent auditor team(s), particularly the lead audit and reviewing partners;

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- o consider whether to rotate the independent auditors; and

- o obtain the opinion of management and the internal auditors on the independent auditors' performance.
- o The Audit Committee shall establish policies for the Company's hiring of current or former employees of the independent auditors.

#### Internal Auditors

- o At least annually, the Audit Committee shall evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function and review the internal audit plan. Such evaluation shall include a review of the responsibilities, budget and staffing of the Company's internal audit function with the independent auditors.

#### Financial Statements; Disclosure and Other Risk Management and Compliance Matters

- o The Audit Committee shall review with management and the independent auditors, in separate meetings if the Audit Committee deems it appropriate:
  - o the annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", prior to the filing of the Company's Form 10-K;
  - o the quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", prior to the filing of the Company's Form 10-Q;
  - o any analyses or other written communications prepared by management, the internal auditors and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
  - o the critical accounting policies and practices of the Company;
  - o off-balance sheet transactions and structures;
  - o any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; and
  - o regulatory and accounting initiatives or actions applicable to the Company (including any SEC investigations or proceedings).
- o The Audit Committee shall review, in conjunction with management, the Company's policies with respect to the Company's earnings press releases and all financial information, such as earnings guidance, provided to analysts and rating agencies, including the types of information to be disclosed and the types of presentation to be made and paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information.

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- o The Audit Committee shall, in conjunction with the CEO and CFO of the Company, review the Company's internal controls and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses and any fraud involving management or other employees with a significant role in such controls and procedures.
- o The Audit Committee shall review and discuss with the independent auditors any audit problems or difficulties and management's response thereto, including those matters required to be discussed with the Audit Committee by the auditors pursuant to Statement on Auditing Standards No. 61, such as:
  - o any restrictions on the scope of the independent auditors' activities or access to requested information;
  - o any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise);
  - o any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement;



- o any management or internal control letter issued, or proposed to be issued, by the auditors; and
- o any significant disagreements between the Company's management and the independent auditors.
- o The Audit Committee shall review the Company's policies and practices that govern the process by which risk assessment and management is undertaken (with the understanding that the review of policies and practices relating to specific areas of risk assessment and management may be the responsibility of other committees of the Board). The Company's management shall also discuss with the Audit Committee the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
- o The Audit Committee shall establish and maintain procedures for:
  - o the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
  - o the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- o The Audit Committee shall review any significant complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

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- o The Audit Committee shall prepare the audit committee report that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

#### Reporting to the Board

- o The Audit Committee shall report to the Board periodically. This report shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualifications, independence and performance of the Company's independent auditors, the performance of the internal audit function, compliance by the Company with legal and regulatory requirements and any other matters that the Audit Committee deems appropriate or is requested to be included by the Board.
- o At least annually, the Audit Committee shall evaluate its own performance and report to the Board on such evaluation.
- o The Audit Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

#### Procedures

The Audit Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter, but not less frequently than quarterly. The Chair of the Audit Committee, in consultation with the other committee members and management, shall determine the frequency and length of the committee meetings and shall determine meeting agendas consistent with this charter.

The Audit Committee shall meet separately, periodically, with management, with internal auditors or other personnel responsible for the internal audit function and with the independent auditors.

The Audit Committee is authorized to retain special legal, accounting or other advisors, as it determines necessary to carry out its duties, and may request any officer or employee of the Company or the Company's outside counsel or independent auditors to meet with any members of, or advisors to, the Audit Committee.

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of (i) compensation to the independent auditors (ii) compensation to any advisors employed by the Audit Committee and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee may delegate its authority to subcommittees or the

Chair of the Audit Committee when it deems appropriate and in the best interests of the Company.

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#### Limitations Inherent in the Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to ensure compliance with laws and regulations and the Company's Code of Conduct, or to assess and manage the Company's exposure to risk. This is the responsibility of management, subject to oversight by the Board of Directors.

#### SECTION 3. COMPENSATION AND BENEFITS COMMITTEE.

##### Purpose

The Compensation and Benefits Committee (the "Compensation Committee") is created by the Board of Directors of the Company to:

- o oversee the Company's compensation and benefits policies generally, including the administration of employee benefits and benefit plans for the Company and its subsidiaries;
- o oversee and set compensation for the Company's senior executives; and
- o prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

##### Membership

The Compensation Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange, all of whom also shall be "nonemployee directors" within the meaning of Rule 16b-3(b)(3) under the Securities Exchange Act of 1934, as amended. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Compensation Committee annually and as vacancies or newly created positions occur. Compensation Committee members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chair of the Compensation Committee.

##### Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Compensation Committee is responsible for the following matters.

##### Compensation and Benefit Policies and Administration

- o The Compensation Committee shall review and approve the Company's compensation and benefits policies generally (subject, if applicable, to

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shareholder ratification), including reviewing and making recommendations to the Board with respect to any incentive-compensation plans and equity-based plans of the Company. In reviewing compensation and benefits policies, the Compensation Committee may consider any factors that it deems appropriate. The Compensation Committee shall report the results of such review and any action it takes with respect to the Company's compensation and benefits policies to the Board, including any new benefits or changes in existing benefits.

- o The Compensation Committee shall appoint from among management of the Company committees to administer employee benefits and benefit plans.

- o The Compensation Committee shall serve as the granting and administrative committee for the Company's stock option and equity-based plans.

#### Executive Compensation

- o The Compensation Committee shall review and approve for each of the Company's senior executives his or her (i) annual base salary, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance and change-in-control agreements, if any, with the Company or any subsidiary and (v) any other compensation or ongoing perquisites. In so reviewing and approving executive compensation, the Compensation Committee shall, among other things:
  - o Review and approve corporate goals and objectives relevant to executive compensation;
  - o evaluate each senior executive's performance in light of such goals and objectives and, either as a committee or together with the other independent members of the Board (as directed by the Board), set each senior executive's compensation based on such evaluation and such other factors as may be deemed appropriate and in the best interests of the Company, provided that the Chief Executive Officer's compensation shall be reviewed and approved by the Board; and
  - o determine any long-term incentive component of each senior executive's compensation based on awards given to such executive in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Compensation Committee deems appropriate and in the best interests of the Company.
- o The Compensation Committee shall report the results of such review and any action it takes with respect to the compensation of the Company's senior executives to the Board.
- o The Compensation Committee may delegate to one or more directors of the Company the authority to make grants and awards to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or other

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equity-based plans as the Compensation Committee deems appropriate and in accordance with the terms of such plans.

#### Disclosure

- o The Compensation Committee shall prepare the report on executive compensation that Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

#### Reporting to the Board

- o The Compensation Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive compensation and any other matters that the Compensation Committee deems appropriate or is requested to be included by the Board.
- o At least annually, the Compensation Committee shall evaluate its own performance and report to the Board on such evaluation.
- o The Compensation Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

#### Procedures

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Compensation Committee, in consultation with the other committee members and management, shall determine the frequency and length of the committee meetings and shall determine meeting agendas consistent with this charter.

The Compensation Committee has the sole authority to retain and terminate any compensation consultant assisting the Compensation Committee in the evaluation of CEO or senior executive compensation, including sole authority to approve all such compensation consultants' fees and other retention terms.

The Company shall provide for appropriate funding, as determined by the

Compensation Committee, for payment of (i) compensation to any consultant retained by the Compensation Committee and (ii) ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.

The Compensation Committee may delegate its authority to subcommittees or to the Chairman of the Compensation Committee when it deems appropriate and in the best interests of the Company.

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#### SECTION 4. CORPORATE AFFAIRS COMMITTEE.

##### Purpose

The Corporate Affairs Committee is created by the Board of Directors of the Company to assist the Board in its oversight of matters impacting the Company's image and reputation and its standing as a responsible corporate citizen.

##### Membership

The Corporate Affairs Committee shall consist of at least three members. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chair of the Committee.

##### Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is to assist the Board in its oversight of the Company's policies, practices and procedures in the general areas of ethical conduct and legal compliance, including, but not limited to, issues relating to the following areas:

- o Communications
  - Policies and practices relating to communications with key stakeholders (other than the financial community), including shareholders; governments; employees; and the general public. This also includes crisis management organization and activities.
- o Employment Practices
  - Equal employment opportunity and workforce diversity; business ethics; health and safety matters; and compliance with laws.
- o Community Relations
  - Policies with respect to charitable contributions (including the underlying goals and purposes of the Company's contribution program).
- o Environment
  - Policies and compliance.

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- o Customer Relations
  - Quality control; recall process; and litigation relating to products or to business practices.
- o Business Practices and Ethics
  - Oversee compliance with laws and with the Company's Business Conduct and Compliance Guide (the "Code of Conduct") including, without limitation, in the areas of the Foreign Corrupt Practices Act; anti-boycott legislation; antitrust compliance; political contributions (including activities of the BD political action committee) and conflict of interest

and insider trading policies.

- Communication and training regarding expected standards of conduct.
- Review and make recommendations to the Board regarding shareholder proposals that relate to public policy.

The Committee also shall review all requests for and, if it determines any such requests appropriate after consultation with the Corporate Governance and Nominating Committee of the Board, may grant waivers of provisions of the Company's Code of Conduct, to the Company's executive officers and directors. The Committee shall report any such waiver to the full Board of Directors.

#### Reporting to the Board

The Committee shall report to the Board periodically. This report shall include a review of any issues that arise with respect to the Company's policies, practices and procedures, and any other matter that the Committee deems appropriate or is requested to be included by the Board.

At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

#### Procedures

The Corporate Affairs Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. The Chair of the Corporate Affairs Committee, in consultation with the other committee members and management, shall determine the frequency and length of the committee meetings and shall determine meeting agendas consistent with this Charter.

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The Committee is authorized to retain special legal or other advisors, as it determines necessary to carry out its duties, and may request any officer or employee of the Company or the Company's outside counsel to meet with any members of, or advisors to, the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any advisors retained by the Committee and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

#### Limitations Inherent in the Role of the Corporate Affairs Committee

While the Corporate Affairs Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Corporate Affairs Committee to ensure compliance with laws and regulations and the Company's Code of Conduct. This is the responsibility of management, subject to oversight by the Board of Directors.

### SECTION 5. CORPORATE GOVERNANCE AND NOMINATING COMMITTEE.

#### Purpose

The Corporate Governance and Nominating Committee (the "Committee") is created by the Board of Directors of the Company to:

- o identify individuals qualified to become Board members, and recommend to the Board director nominees for election at the next annual or special meeting of shareholders at which directors are to be elected or to fill any vacancies or newly created directorships that may occur between such meetings;
- o recommend directors for appointment to Board committees, and recommend a director for appointment as the Lead Director;
- o evaluate Board performance;

- o oversee and recommend to the Board compensation for the Company's directors; and
- o review and recommend to the Board, as appropriate, modifications or additions to the Corporate Governance Principles of the Company.

#### Membership

The Committee shall consist of at least four members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange. The Board shall appoint members to the Committee annually and as vacancies or newly created positions occur. Committee members may be removed by the

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Board at any time. The Committee shall recommend to the Board, and the Board shall designate, the Chair of the Committee.

#### Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for the following matters.

#### Board/Committee Nominees/Lead Director

- o The Committee shall identify qualified individuals for membership on the Company's Board of Directors.
- o The Committee shall recommend criteria for Board membership.
- o The Committee shall recommend individuals for membership on the Company's Board of Directors, directors for appointment to the committees of the Board and committee chairs, and a director for appointment as the Lead Director. In making its recommendations, the Committee shall:
  - o review candidates' qualifications for membership on the Board or a committee of the Board or for appointment as the Lead Director (including a determination as to the independence of the candidate);
  - o in evaluating a current director for re-nomination to the Board or re-appointment to any Board committees, or for re-appointment as the Lead Director, assess the performance of such director;
  - o periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience;
  - o consider rotation of committee members, committee Chairs and the Lead Director; and
  - o consider any other factors that are set forth in the Company's Corporate Governance Principles or are deemed appropriate by the Committee.

#### Evaluating the Board and its Committees

- o At least annually, the Committee shall lead the Board in a self-evaluation to determine whether it and its committees are functioning effectively. The Committee shall oversee the evaluation process and report on such process and the results of the evaluations, including any recommendations for proposed changes, to the Board.

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- o The Committee shall periodically review the size and responsibilities of the Board and its committees and recommend to the Board any proposed changes, including changes to Board committee charters.

#### Director Compensation

- o The Committee shall review and recommend to the Board compensation (including stock option grants and other equity-based compensation) for the Company's directors. In so reviewing and approving director compensation, the Committee shall:
  - o identify corporate goals and objectives relevant to director compensation;
  - o recommend to the Board director compensation based on such factors as the Committee deems appropriate and in the best interests of the Company; and
  - o recommend to the Board any long-term incentive component of director compensation based on the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company.
- o The Committee also shall review and recommend to the Board all consulting and employment contracts of the Company or of any subsidiary with any active or retired director.

#### Corporate Governance Matters

- o The Committee shall review and recommend to the Board, as appropriate, modifications or additions to the Corporate Governance Principles for the Company. At least annually, the Committee shall review and reassess the adequacy of such Corporate Governance Principles and recommend any proposed changes to the Board.
- o The Committee shall be responsible for any tasks assigned to it from time to time in the Company's Corporate Governance Principles.

#### Director Orientation and Continuing Education

- o The Committee shall develop and review an orientation and continuing education program for directors meeting the requirements set forth in the Company's Corporate Governance Principles.

#### Periodic Review of the Company's Shareholder Rights Plan

- o The Committee shall periodically review, and recommend changes to, the Company's shareholder rights plan.

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#### Reporting to the Board

- o The Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board performance, corporate governance or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- o At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- o The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

#### Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members and management, shall determine the frequency and length of the Committee meetings and shall determine meeting agendas consistent with this charter.

The Committee has the sole authority to retain and terminate any search firm assisting the Committee in identifying director candidates, including sole authority to approve all such search firms' fees and other retention terms. In addition, the Committee has the sole authority to retain and terminate any compensation consultant assisting the Committee in the evaluation of director compensation, including sole authority to approve all such compensation consultant's fees and other retention terms.

The Committee is authorized to retain any other special legal or other advisors, as it determines necessary to carry out its duties, and may request any officer or employee of the Company or the Company's outside counsel to meet

with any members of, or advisors to, the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any search firm, consultant or other advisor retained by the Committee and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

#### SECTION 6. EXECUTIVE COMMITTEE.

The Executive Committee shall consist of not less than 3 members. During the intervals between meetings of the Board of Directors and subject to Section 1 of this Article, the Executive Committee shall possess and may exercise all the powers and authority of the Board of Directors in the control and management of the business and affairs of the Company.

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#### SECTION 7. FINANCE AND INVESTMENT COMMITTEE.

##### Purpose

The Finance and Investment Committee is created by the Board of Directors of the Company to oversee the financial affairs of the Company.

##### Membership

The Finance and Investment Committee shall consist of not less than four members. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chair of the Committee.

##### Authority and Responsibilities

Based upon periodic reports and recommendations of management, the Finance and Investment Committee shall regularly review the financial affairs of the Company and shall:

- (i) monitor the Company's financial structure and recommend to the Board appropriate debt or equity financing and stock repurchases to meet the Company's long-term objectives;
- (ii) review and approve the Company's dividend policy and recommend to the Board appropriate dividend action;
- (iii) review and approve capital expenditure budgets and capital expenditures (including leases) that on an individual basis exceed \$10 million and that are not included in the capital expenditure budget;
- (iv) monitor the Company's financial strategies regarding:
  - (A) risk (currency and interest rate exposure and use of derivatives); and
  - (B) asset management (investment portfolio).
- (v) review and approve purchases and dispositions of real property; provided, that notwithstanding the foregoing or anything contained in clause (iii) above to the contrary, any two executive officers of the Company acting together shall have the power, without the need for any approval of the Finance and Investment Committee or the Board, to approve, execute and effect from time to time (A) acquisitions of real property that on an individual basis have purchase prices of up to and including \$25 million, and (B) dispositions of real property that on an individual basis have sale prices of up to and including \$25 million and do not result in a pre-tax loss of \$5 million or more on the consolidated books of the Company;

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- (vi) review and recommend appropriate Board action with respect to acquisitions and divestitures of assets (including, without limitation, stock and other equity interests in corporations, partnerships or other entities and intellectual property rights, but excluding individual purchases and dispositions of real property and acquisitions of assets approved pursuant to clause (iii) above) that, individually or in the aggregate, in one or more of a series of related transactions, have a purchase or sale price, as applicable, equal to or greater than \$10 million;
- (vii) review and approve (A) the establishment of a subsidiary in a country in which the Company has no other subsidiary if the operation of such subsidiary would involve an investment of more than \$2.5 million, (B) the dissolution of a subsidiary that would result in a pre-tax loss of \$5 million or more on the consolidated books of the Company, (C) the establishment of a subsidiary in a country in which the Company has an existing subsidiary if the operation of such new subsidiary would involve an investment of more than \$25 million, and (D) any change in capital of a subsidiary that exceeds \$25 million or that would result in a pre-tax charge of \$5 million or more on the consolidated books of the Company;
- (viii) (a) periodically review actual results versus original estimates for acquisitions and/or capital expenditures approved five years earlier in individual amounts of \$10 million or greater and (b) review on a quarterly basis, pursuant to guidelines established from time to time by this Committee, (i) actions taken by management during the prior three-month period without specific Board or Committee approval, pursuant to the delegations of authority set forth in sub-paragraphs (v), (vi) and (vii) above, (ii) any notable changes or deviations in financial condition, and (iii) the Company's foreign exchange exposure and its management thereof; and
- (ix) periodically undertake a comprehensive review of the Company's insurance program and business continuity risk management strategies.

#### Reporting to the Board

The Committee shall report to the Board periodically. This report shall include a review of any issues that arise with respect to the Company's capital structure, financial policies, capital expenditures, acquisitions or divestitures, risk management strategies and any other matter that the Committee deems appropriate or is requested to be included by the Board.

At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

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#### Procedures

The Finance and Investment Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. The Chair of the Committee, in consultation with the other committee members and management, shall determine the frequency and length of the committee meetings and shall determine meeting agendas consistent with this Charter.

The Committee is authorized to retain special legal or other advisors, as it determines necessary to carry out its duties, and may request any officer or employee of the Company or the Company's outside counsel to meet with any members of, or advisors to, the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any advisors retained by the Committee and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the

SECTION 8. QUALIFIED LEGAL COMPLIANCE COMMITTEE.

Purpose

The Qualified Legal Compliance Committee ("QLCC") is created by the Board of Directors of the Company to review any report by an attorney representing the Company or its subsidiaries of a material violation of U.S. federal or state securities law, a material breach of fiduciary duty arising under U.S. federal or state law or a similar material violation of any U.S. federal or state law (a "material violation"), all in accordance with the provisions of 17 CFR Part 205, as amended from time to time ("Part 205"). Any terms not otherwise defined herein shall have the definitions given them, if any, in Part 205.

Membership

The QLCC shall consist of at least one member of the Company's audit committee and two or more members of the Company's Board of Directors who are independent and are not employed, directly or indirectly, by the Company. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the QLCC annually and as vacancies or newly created positions occur. QLCC members shall be appointed by the Board and may be removed by the Board at any time. The Corporate Governance and Nominating Committee shall recommend to the Board, and the Board shall designate, the Chair of the QLCC.

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Authority and Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board, the QLCC has the authority and responsibility for the following matters:

- o The QLCC shall adopt written procedures for the confidential receipt, retention and consideration of any report of evidence of a material violation under Part 205 (a "report").
- o Upon receipt of a report, the QLCC shall:
  - o inform the Company's general counsel ("GC") and chief executive officer ("CEO") of such report, unless such notification would be futile; and
  - o determine whether an investigation is necessary regarding any report of evidence of a material violation by the Company, its officers, directors, employees or agents.
- o If the QLCC determines an investigation is necessary or appropriate, the QLCC shall:
  - o Notify either the audit committee or the full board of directors; and
  - o initiate an investigation, which may be conducted either by the GC or by outside attorneys.
- o At the conclusion of any such investigation, the QLCC shall:
  - o recommend that the Company implement an appropriate response to the evidence of a material violation, which appropriate response may include:
    - o a finding that no material violation has occurred, is ongoing or is about to occur;
    - o the adoption of appropriate remedial measures, including appropriate steps or sanctions to stop any material violations that are ongoing, to prevent any material violation that has yet to occur, and to remedy or otherwise appropriately address any material violation that has already occurred and to minimize the likelihood of its recurrence; or
    - o retaining or directing an attorney to review the reported evidence of a material violation and either (i) the Company substantially implements any remedial recommendations made by such attorney after a reasonable investigation and evaluation of the reported evidence, or (ii) the attorney advises the Company that such attorney may, consistent with his or her professional obligations, assert a colorable defense on behalf of the Company or its officers, directors, employees or agents,

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administrative proceeding relating to the reported evidence of a material violation; and

- o inform the GC, the CEO and the Board of the results of any such investigation initiated by the QLCC and the appropriate remedial measures to be adopted.
- o The QLCC may take all other appropriate action, including the authority to notify the Securities and Exchange Commission, if the Company fails in any material respect to implement an appropriate response that the QLCC has recommended the Company to take.
- o The QLCC shall evaluate its own performance and report to the Board on such evaluation.
- o The QLCC shall review and assess the adequacy of this charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

Procedures

The QLCC may act only by majority vote.

The QLCC shall meet as often as appropriate to carry out its responsibilities under this charter. The Chairman of the QLCC, in consultation with the other committee members, shall determine the frequency and length of the committee meetings and shall set meeting agendas consistent with this charter.

The QLCC is authorized (without seeking Board approval) to retain outside attorneys and other expert personnel to assist the QLCC as it deems necessary.

SECTION 9. MEETINGS AND PROCEDURES. Each committee may make its own rules of procedure and shall meet as provided by such rules or by resolution of the Board of Directors, and shall also meet at the call of the chairman of the committee, the Chairman of the Board, the President, or a majority of the members of the committee.

A majority of the members of a committee shall constitute a quorum. The affirmative vote of a majority of all of the members shall be necessary for the adoption of a resolution or to approve any matter within the scope of the authority of a committee. Minutes of the proceedings of a committee shall be recorded in a book provided for that purpose and filed with the Secretary of the Company. A committee may act without a meeting if, prior or subsequent to such action, each member shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the committee.

Action taken by a committee, with or without a meeting, shall be reported to the Board of Directors at its next regular meeting following such committee action; except that, when the meeting of the Board is held within 2 days after the committee action, such report, if not made at the first meeting, shall be made to the Board at its second meeting following such action.

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ARTICLE V  
Officers  
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SECTION 1. ENUMERATION, APPOINTMENT AND REMOVAL. The corporate officers of the Company shall be a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Sector Presidents, one or more Group Presidents, one or more Vice Presidents, a Controller, a Treasurer, a Secretary and such other corporate officers (including assistant corporate officers) as the Board of

Directors may deem necessary or desirable for the transaction of the business of the Company. In its discretion, the Board of Directors may leave unfilled any office except those of the President, Treasurer, and Secretary, and should any vacancy occur among said officers by death, resignation or otherwise, the same shall be filled at the next regular meeting of the Board of Directors or at a special meeting. Any two or more offices may be held by the same person. The Board of Directors, by resolution adopted by a majority of the Directors, then in office, shall designate the Chairman of the Board or the President to serve as the Chief Executive Officer of the Company.

The corporate officers shall be elected at the first meeting of the Board of Directors after the annual election of Directors, and shall hold office until the next succeeding annual meeting of the Board of Directors, subject to the power of the Board of Directors to remove any corporate officer at pleasure by an affirmative vote of the majority of the Directors then in office.

Every corporate officer shall have such authority and perform such duties in the management of the Company as may be provided in these By-laws, or such duties consistent with these By-laws as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 2. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be elected from among the members of the Board of Directors and shall have general charge and supervision over and responsibility for the business and affairs of the Company. He shall keep the Board of Directors fully informed concerning those areas in his charge, and shall perform such other duties as may be assigned to him by the Board of Directors. In the absence or disability of the Chairman of the Board and of the Vice Chairman of the Board, the Chief Executive Officer shall have all the powers and perform all the duties of the Chairman of the Board.

SECTION 3. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the Board of Directors and of the shareholders and shall perform such other duties as these By-laws or the Board of Directors may prescribe.

SECTION 4. VICE CHAIRMAN OF THE BOARD. In the absence or disability of the Chairman of the Board, the Vice Chairman of the Board shall have all the powers and perform all the duties of the Chairman of the Board. He shall perform such other duties as may be assigned to him by the Board of Directors or Chairman of the Board.

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SECTION 5. PRESIDENT. The President shall have such powers and perform such duties as may be provided by statute, these By-laws, and as may be assigned by the Board of Directors or the Chief Executive Officer.

SECTION 6. TREASURER. The Treasurer shall have the care and custody of the Company funds and securities, maintain banking relationships and execute credit and collection policies. He shall perform such other duties and possess such other powers as are incident to his office.

SECTION 7. SECRETARY. The Secretary shall attend all meetings of the Board of Directors and of the shareholders, and shall record all proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and the Board of Directors. He shall have the custody of the seal of the Company and shall affix the same to all instruments requiring it, and attest the same. He shall perform such other duties and possess such other powers as are incident to his office.

ARTICLE VI  
Certificate of Capital Stock  
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SECTION 1. FORM AND TRANSFERS. The interest of each shareholder of the Company shall be evidenced by certificates for shares of capital stock, certifying the number of shares represented thereby and in such form as the Board of Directors may from time to time prescribe.

Transfers of shares of the capital stock of the Company shall be made only on the books of the Company, which shall include the books of the stock transfer agent, by the registered holder thereof, or by his attorney authorized by power of attorney duly executed and filed with the Secretary of the Company, or a transfer agent appointed as provided in Section 4 of this Article, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of capital stock stand on the books of the Company shall be deemed the owner thereof for all purposes. The Board may, from time to time, make such additional rules and regulations as it may deem expedient concerning the issue, transfer, and

registration of certificates for shares of the capital stock of the Company. Certificates shall be signed by, or in the name of the corporation by, the Chairman or Vice Chairman of the Board, or the President or a Vice-President, and may be countersigned by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation and may be sealed with the seal of the corporation or a facsimile thereof. Any or all signatures upon a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of its issue.

SECTION 2. FIXING RECORD DATE. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or an adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining the shareholders entitled to receive payment of

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any dividend or allotment of any right, or for the purpose of any other action, the Board of Directors shall fix a date not more than 60 days nor less than 10 days before the date of any such meeting, nor more than 60 days prior to any other action, as the record date for any such determination of shareholders.

SECTION 3. LOST, STOLEN, DESTROYED, OR MUTILATED CERTIFICATES. No certificate for shares of capital stock in the Company shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of evidence of such loss, destruction or theft and on delivery to the Company, if the Board of Directors shall so require, of a bond of indemnity upon such terms and secured by such surety as the Board of Directors may in its discretion require. A new certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper to do so.

SECTION 4. TRANSFER AGENT AND REGISTRAR. The Board of Directors may appoint one or more transfer agents and one or more registrars, and may require all certificates of capital stock to bear the signature or signatures of any of them. One corporation may serve as both transfer agent and registrar.

SECTION 5. EXAMINATION OF BOOKS BY SHAREHOLDERS. So far as it is not inconsistent with the law of New Jersey, the Board of Directors shall have power to determine, from time to time, whether and to what extent and at what times and places and under what conditions and regulations the books and records of account, minutes of the proceedings of the shareholders, Board of Directors and any committee of the Company, and other documents of the Company, or any of them, shall be open to inspection of the shareholders.

SECTION 6. VOTING SHARES OF OTHER CORPORATIONS. Unless otherwise ordered by the Board of Directors, the Chairman of the Board and the President, or either of them, shall have full power and authority on behalf of the Company to attend and to act and to vote at any meeting of Shareholders of any corporation in which this Company may hold stock, and at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such stock, and which, as the owner thereof, this Company might have possessed and exercised if present. The Board of Directors, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE VII  
Dividends  
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Dividends shall be declared and paid at such times and in such amounts as the Board of Directors may in its absolute discretion determine and designate, subject to the restrictions and limitations imposed by law.

ARTICLE VIII  
Signatures  
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Unless otherwise required by law, by the Certificate of Incorporation, by these By-laws, or by resolution of the Board of Directors, the Chief Executive Officer, the President or any Executive Vice President, Senior Vice President, Sector President,

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Group President, or Vice President, or the Controller or the Treasurer of the Company may enter into and execute in the name of the Company, contracts or other instruments in the regular course of business, or contracts or other instruments not in the regular course of business which are authorized either generally or specifically by the Board of Directors, and the Secretary or an Assistant Secretary shall affix the Company seal thereto and attest the same, if required.

ARTICLE IX  
Fiscal Year  
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The fiscal year of the Company shall begin on the 1st day of October in each year and end on the September 30th next succeeding.

ARTICLE X  
Directors May Contract With Company  
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Any Director or corporate officer may be a party to or may be interested in any agreement or transaction of this Company by which he may personally benefit, with the same force and effect as if he were either an entire stranger to the Company or to the Board of Directors, provided the fact that he is so interested or may personally benefit shall be disclosed or shall have been known to the majority of the Board of Directors; and further provided that such agreement or transaction shall be approved or ratified by the affirmative vote of a majority of the Directors not so interested or benefited.

ARTICLE XI  
Indemnification  
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The Company shall indemnify to the full extent authorized or permitted by the New Jersey Business Corporation Act, any corporate agent (as defined in said Act), or his legal representative, made, or threatened to be made, a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he is or was a corporate agent of this Company.

ARTICLE XII  
Amendments  
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These By-laws may be altered, amended or repealed by the shareholders or by a majority vote of the Directors then in office. Any By-law adopted, amended or repealed by the shareholders may be amended or repealed by a majority vote of the Directors then in office unless the resolution of the shareholders adopting such By-law expressly reserves the right to amend or repeal it to the shareholders.

ARTICLE XIII  
Force and Effect of By-Laws  
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These By-laws are subject to the provisions of the New Jersey Business Corporation Act and the Company's Certificate of Incorporation, as it may be amended from time to time. If any provision in these By-laws is inconsistent with a provision in that Act or the Certificate of Incorporation, the provision of that Act or the Certificate of Incorporation shall govern to the extent of such inconsistency.

BECTON, DICKINSON AND COMPANY

1996 DIRECTORS' DEFERRAL PLAN

Adopted As Of November 1, 1996  
And Amended As of May 25, 2004

ARTICLE I

Definitions

- 1.1 "Accrued Pension" means the U.S. dollar amount of the actuarially-determined present value of the accrued and unpaid past service pension benefits under the Directors' Nonqualified Pension Arrangements of a Director acting as such at and as of June 30, 1996, as calculated by Kwasha Lipton as of the Termination Date, taking into account the Director's age and years and months of past service and such other assumptions as shall be reasonable and uniformly applied to all Directors.
- 1.2 "Additional Deferral Election" means the election by a participant under Section 3.6(b) to further defer the date payment otherwise would be made (or begin to be made) from a participant's Deferred Account.
- 1.3 "Annual Share Amount" means the number of shares of Common Stock (which is set as of the date hereof at 400 shares) that the Board, from time to time, may agree to credit to Deferred Stock Accounts as compensation to continuing Directors.
- 1.4 "Board" means the Board of Directors of the Company.
- 1.5 "Change-of-Form Election" means the election by a participant under Section 3.6(a) to change the form of distribution from any of his or her Deferred Accounts.
- 1.6 "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.
- 1.7 "Committee" means the Committee on Directors of the Board, or such other committee as may be designated by the Board to be responsible for administering the Plan.
- 1.8 "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.
- 1.9 "Company" means Becton, Dickinson and Company, and any successor thereto.

- 1.10 "Conversion Election" means the election by a participant under Section 3.5(a) to convert some or all of his or her Deferred Retainer Account balance, Deferred Fees Account balance and/or Deferred Dividends Account balance from a cash balance into a Deferred Stock Account balance.

- 1.11 "Deferral Election" means a Deferred Pension Election, Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election, Deferred Fees Election and/or a

form-of-distribution election under Section 3.4(e).

- 1.12 "Deferred Account" means the participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account, Deferred Cash Account and/or Deferred Stock Account.
- 1.13 "Deferred Cash Account" means the bookkeeping account established under Section 3.5(b) on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).
- 1.14 "Deferred Dividends" means the amount of cash dividends on his or her Restricted Stock that a participant has elected to defer until a later year pursuant to an election under Section 3.2 (c).
- 1.15 "Deferred Dividends Account" means the bookkeeping account established under Section 3.2(c) on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).
- 1.16 "Deferred Dividends Election" means the election by a participant under Section 3.2(c) to defer until a later year receipt of some or all of the dividends payable in the following year on his or her Restricted Stock.
- 1.17 "Deferred Fees" means the amount of a participant's fees (other than the participant's annual Board retainer fees) that such participant has elected to defer until a later year pursuant to an election under Section 3.3(a).
- 1.18 "Deferred Fees Account" means the bookkeeping account established under Section 3.3 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).
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- 1.19 "Deferred Fees Election" means the election by a participant under Section 3.3 to defer until a later year receipt of some or all of his or her fees (other than annual Board retainer).
- 1.20 "Deferred Pension" means the amount of a participant's Accrued Pension that such participant has elected to defer until a later year pursuant to an election under Section 3.1.
- 1.21 "Deferred Pension Account" means the bookkeeping Account established under Section 3.1 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).
- 1.22 "Deferred Pension Election" means the election by a participant under Section 3.1 to defer until a later year receipt of some or all of his or her Accrued Pension.
- 1.23 "Deferred Retainer" means the amount of a participant's annual Board retainer fees that such participant has elected to defer until a later year pursuant to an election under Section 3.3(a).
- 1.24 "Deferred Retainer Account" means the bookkeeping account established under Section 3.3 on behalf of a participant, and includes any Interest Return credited thereto pursuant to Section 3.7(a).
- 1.25 "Deferred Retainer Election" means the election by a participant under Section 3.3(a) to defer until a later year receipt of some or all of his or her annual Board retainer.
- 1.26 "Deferred Stock Account" means the bookkeeping account established under Sections 3.2, 3.4 and/or 3.5 on behalf of a participant and includes, in addition to amounts stated in those Sections, all Dividend Reinvestment Returns credited thereto pursuant to Section 3.7(b).



1.27 "Deferred Stock Election" means the election by a participant under Section 3.4(a) and/or (c) to have his or her Deferred Pension, Deferred Dividends, Deferred Retainer and/or Deferred Fees credited in the form of Common Stock to the participant's Deferred Stock Account.

1.28 "Director" means a member of the Board.

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1.29 "Directors' Nonqualified Pension Arrangements" means the unfunded pension benefits payable to Directors pursuant to resolutions of the Board dated November 24, 1981 and March 28, 1995.

1.30 "Directors' Stock Trust" means the Becton, Dickinson and Company 1996 Directors' Deferral Trust established as of November 15, 1996 between the Company and Wachovia Bank of North Carolina, N.A.

1.31 "Dividend Reinvestment Return" means the amounts which are credited to each participant's Deferred Stock Account pursuant to Section 3.7(b) to reflect dividends declared and paid by the Company on its Common Stock.

1.32 "Effective Date" means the effective date of the Plan set forth in Section 5.4.

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

1.34 "Interest Return" means the amounts which are credited from time to time to each participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account pursuant to Section 3.7(a).

1.35 "NYSE" means The New York Stock Exchange.

1.36 "Payment Date" means the last day of January, April, July or October of each calendar year on which the Directors are paid their compensation for the immediately preceding three (3) month period.

1.37 "Plan" means the Becton, Dickinson and Company 1996 Directors' Deferral Plan as from time to time in effect.

1.38 "Restricted Stock" means the shares of Common Stock issued to a Director, and bearing restrictions, pursuant to the Company's 1994 Restricted Stock Plan for Non-Employee Directors.

1.39 "Restricted Stock Election" means the election by a participant under Section 3.2(a) to surrender some or all of his or her shares of Restricted Stock to the Company and to have an equal number of shares of Common Stock credited to the participant's Deferred Stock Account.

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1.40 "Reverse Conversion Election" means the election by a participant under Section 3.5(b) to convert a portion of his or her Deferred Stock Account balance into a Deferred Cash Account balance.

1.41 "Shareholders' Meeting" means the regular annual meeting of the shareholders of the Company.

"Termination Date" means December 1, 1996, the date as of which the Directors' Nonqualified Pension Arrangements will have been effectively terminated.

## ARTICLE II

## Participation

## Participation

- (a) Participation in the Plan shall be limited to an individual who, as at the Effective Date of the Plan and/or any subsequent first day of any calendar quarter, is a Director.
- (b) The Committee may, consistent with Company policy:
  - (i) designate as ineligible particular individuals or groups of individuals who otherwise would be eligible under Section 2.1(a); or
  - (ii) designate as eligible particular individuals or groups of individuals who otherwise would be ineligible under Section 2.1(a).

## ARTICLE III

## Deferral Elections, Accounts and Distributions

## Deferred Pension Election

- (a) Any participant, who has an Accrued Pension as of the Termination Date, may make a single one-time election, on or before December 5, 1996 in writing and on a form to be furnished by the Committee, to convert 25%, 50%, 75% or 100% of his or her Accrued Pension into a Deferred Pension Account under the Plan. Upon making a Deferred Pension Election, a new Deferred Pension Account will be established in the participant's name and will be credited, on or about December 20, 1996, with the amount of his or her Accrued Pension so converted.
- (b) Once made, a Deferred Pension Election cannot be changed or revoked except as provided herein.
- (c) A Deferred Pension Election shall defer the starting date for the payment of the designated amount of the participant's Accrued Pension, and any Interest Return credited thereon pursuant to Section 3.7, until the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.
- (d) In the event of any such Deferred Pension Election, the form of payment of any distribution (i.e., in a lump sum or in five or in ten approximately equal

annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event triggering the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Deferred Pension Election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

- 3.2 Restricted Stock Elections and Deferred Dividends Elections
- (a) Any participant, who owns Restricted Stock as of the Effective Date, may make a single one-time election, on or before December 5, 1996 and on a form to be furnished by the Committee, to surrender to the Company 25%, 50%, 75% or 100% of his or her shares of Restricted Stock. Upon making such Restricted Stock Election, a new Deferred Stock Account will be established in the participant's name to which will be credited, on or about December 20, 1996, a number of shares of Common Stock equal to the number so surrendered.
  - (b) A participant who makes a Restricted Stock Election will defer the receipt of any balance in the participant's Deferred Stock Account, including any Dividend Reinvestment Return credited thereto pursuant to Section 3.7(b), until the earliest of the participant's (i) permanent and total disability, (ii) death and (iii) the later of (1) the date on which such shares of Restricted Stock otherwise would have vested, (2) January 2, 1998, and (3) the date of any retirement or other termination of service.
  - (c) Any participant, who owns Restricted Stock from time to time, also can elect, on or before December 31 of any calendar year, to defer 25%, 50%, 75% or 100% of the cash dividends otherwise payable on his or her Restricted Stock for the next succeeding calendar year. Such Deferred Dividends will be credited to the participant's Deferred Dividend Account as of each date on which cash dividends are otherwise paid on the Common Stock.
  - (d) A participant who makes a Deferred Dividends Election may defer the payment of any Deferred Dividends, and any Interest Return credited thereon pursuant to Section 3.7(a), until (i) the earliest of the participant's retirement, permanent and total disability, death or involuntary termination or (ii) a fixed date which is no earlier than three full calendar years after the calendar year during which the Deferred Dividends otherwise were payable and no later than ten years after the earliest date specified in (i), provided, however, that all distributions under Section 3.8(b) must be paid in full no later than ten years after the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.
  - (e) Once made, neither a Restricted Stock Election nor a Deferred Dividends Election can be changed or revoked except as provided herein.
  - (f) In the event of any such Restricted Stock Election or

five or in ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event causing the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Restricted Stock Election or Deferred Dividends Election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

3.3

Deferred Retainer Elections and Deferred Fees Elections

- (a) With respect to an individual who is eligible to participate in this Plan in accordance with Section 2.1, elections of Deferred Retainer and/or Deferred Fees shall be made in writing on forms to be furnished by the Committee. A Deferred Retainer Election and/or a Deferred Fees Election shall apply only to the Director's annual retainer or fees, as the case may be, for the particular calendar year specified in the election. A participant may elect to defer from 25% of his or her annual retainer to 100% of that retainer (in increments of 10%) and/or 50% or 100% of his or her other fees.
  
- (b) A Deferred Retainer Election and/or Deferred Fees Election with respect to payments for a particular calendar year (i) must be made on or before the December 31 preceding such calendar year or, in the case of a newly-elected Director, within thirty (30) days following the date on which he or she becomes a member of the Board, and (ii) once made, cannot be changed or revoked except as provided herein. Such Deferred Retainer shall be credited to the participant's Deferred Retainer Account (or, if none, to a new such account established in the participant's name) and his or her Deferred Fees shall be credited to the participant's Deferred Fees Account (or, if none, to a new such account established in the participant's name) as of each quarterly Payment Date. Revocation of any Deferred Retainer Election or Deferred Fees Election during a calendar year shall only affect future payments and shall reduce the participant's deferral percentage to zero for the remainder of that calendar year. Notice of revocation must be filed with the Committee by the fifteenth day of the month before the beginning of the next three-month period ending on a Payment Date. Such revocation shall not affect any balances credited to

the participant's Deferred Retainer Account or Deferred Fees Account, as the case may be, before the effective date of the revocation of the election.

- (c) A participant who makes a Deferred Retainer Election or a Deferred Fees Election may defer the payment of any retainer and/or fees, and any Interest Return credited thereon pursuant to Section 3.7(a), until
  - (i) the earliest of the participant's retirement, permanent and total disability, death or involuntary termination or
  - (ii) a fixed date which is no earlier than three full calendar years after the calendar year during which the Deferred Retainer or Deferred Fees otherwise were payable and no later than ten years after the earliest date specified in (i), provided, however, that all distributions under Section 3.8(b) must be paid in full no later than ten years after the earliest of the participant's retirement, permanent and total disability, death or involuntary termination.
  
- (d) In the event of any such Deferred Retainer Election or Deferred Fees Election, the form of payment of any distribution (i.e., in a lump sum or in five or ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event causing the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the Deferred Retainer Election and/or Deferred Fees Election, to have the form of distribution, automatically and without any further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

#### Deferred Stock Elections

- (a) Instead of being credited to the participant's Deferred Pension Account, each participant who makes a Deferred Pension Election also may elect to have 25%, 50%, 75% or 100% of the amount otherwise creditable to his or her Deferred Pension Account instead credited in the form of Common Stock to a new Deferred Stock Account established in the participant's name.
  
- (b) When a Deferred Stock Election is made in connection with a Deferred Pension Election, the participant's Deferred Stock Account will be credited on or about December 20, 1996, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the amount of the participant's Accrued Pension with respect to which the Deferred Stock Election applies, by the average price paid by the Trustee of the Directors' Stock Trust for shares of Common Stock with respect to such date or, if the Trustee shall not purchase shares of Common Stock equal to the number of shares of Common Stock creditable to all participants' Deferred Stock Accounts on such date, then, to the extent of such shortfall, such price shall be the average of the high and low NYSE market price for the Common Stock on such date and the portion of the participant's Deferred Pension Account balance used in such calculation shall be

proportionate to such shortfall amount. At the same time, the participant's Deferred Pension Account will be debited by the amount so credited to the Participant's new Deferred Stock Account.

- (c) Instead of being credited to the participant's Deferred Dividends Account, Deferred Retainer Account or Deferred Fees Account, each participant also may elect to have 25%, 50%, 75% or 100% of his or her Deferred Dividends, Deferred Retainer and/or Deferred Fees credited in the form of Common Stock to the participant's Deferred Stock Account. Except as provided in Section 3.5, an election to have Deferred Dividends, Deferred Retainer or Deferred Fees credited to the participant's Deferred Stock Account must be made concurrently with the Deferred Dividends Election, Deferred Retainer Election or Deferred Fees Election, as the case may be.

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- (d) A participant's Deferred Stock Account will be credited:
- i) regularly, as of each date on which dividends are paid on the Common Stock, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the portion of the participant's Deferred Dividends for such dividend payment date subject to the Deferred Stock Election by the average price paid by the Trustee of the Director's Stock Trust for shares of Common Stock with respect to such dividend payment date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date;
  - ii) quarterly, as of each Payment Date, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the portion of the participant's Deferred Retainer and/or Deferred Fees accumulated during the preceding fiscal quarter and which are subject to the Deferred Stock Election by the average price paid by the Trustee of the Director's Stock Trust for shares of Common Stock with respect to such Payment Date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date; and
  - iii) annually, as of the day after the Shareholders' Meeting with the Annual Share Amount, if, after such meetings the participant was elected or continued to serve as a Director of the Company.
- (e) Each participant who has a Deferred Stock Account shall receive distributions from such Account attributable to his or her Annual Share Amounts, and any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), upon the earliest of the participant's retirement, permanent and total disability, death or involuntary termination. Such participant, within thirty (30) days after his or her Deferred Stock Account is credited with an Annual Share Amount, shall elect the form of payment of any such distribution (i.e., in a lump sum or in five or

in ten approximately equal annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event triggering the distribution or January 31st of the calendar year immediately following such event).

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In the event that any distribution is elected to be paid in five or ten approximately equal annual installments, the participant also may elect, at the time of the initial form-of-distribution election, to have the form of distribution, automatically and without further action on his or her part, converted to a lump sum payment in accordance with Section 3.8(b) in the event of such participant's death or permanent and total disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-distribution election shall not be changed or revoked.

- (f) In the event of any merger, consolidation, reorganization, recapitalization, stock dividend (including without limitation, stock dividends consisting of securities other than the shares of Common Stock), distribution (other than regular cash dividends), stock split, reverse stock split, separation, spin-off, split-off or other distribution of stock or property of the Company, or other change in the corporate structure or capitalization, there shall be appropriate adjustment made by the Board in the number and kind of shares (rounded to the nearest one-one hundredth of a share) or other property that shall be credited in the aggregate and to individual participants' deferred stock accounts under the Plan, so that the participants' Deferred Stock Accounts reflect the same equity percentage interest in the Company after the transaction as was the case before such transaction, and so that each share of Common Stock credited to a participant's Deferred Stock Account before a transaction accrues the same benefits after the transaction as does each share of Common Stock outstanding before such transaction.
- (g) 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 Section 3.7(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.
- (h) Each participant who has a Deferred Stock Account also shall be entitled to provide directions to the Committee to cause the Committee to similarly direct the Trustee of the 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 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 participants in a timely manner of all communications directed generally to the shareholders of the Company as to which their votes are solicited.

## 3.5

## Conversion Elections and Reverse Conversion Elections

- (a) Any individual who has a Deferred Dividends Account, Deferred Fees Account, Deferred Retainer Account and/or a Deferred Cash Account may make, on or before December 31 of any calendar year and as to any one or more of such Deferred Accounts, an additional election, to convert 25%, 50%, 75% or 100% of the participant's Deferred Account balance as of such December 31 from a cash balance into a Common Stock balance which would be credited to his or her Deferred Stock Account (or, if none, to a new such account established in the participant's name). During any three (3) calendar years, only one such Conversion Election may be made by a participant with respect to each Account; provided, however, that no such Conversion Election will be effective with respect to a participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account or Deferred Cash Account until such account shall have been in existence for at least two (2) calendar years.
- (b) Any individual who has a Deferred Stock Account may make an additional election, a Reverse Conversion Election, on or before December 31 of any calendar year, to convert 25%, 50%, 75% or 100% of his or her Deferred Stock Account balance as of such December 31 from a Common Stock balance into a cash balance which would be credited to a new Deferred Cash Account established in the participant's name; provided, however, that no such Reverse Conversion Election shall apply to the shares of Common Stock, or to any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), credited to a participant's Deferred Stock Account either by reason of a Restricted Stock Election or as Annual Share Amounts. During any three (3) calendar years, only one such Reverse Conversion Election may be made by a participant with respect to his or her Deferred Stock Account; provided, however, that no such Reverse Conversion Election shall be effective until the participant's Deferred Stock Account shall have been in existence for at least two (2) calendar years.

- (c) When a Conversion Election is made, the participant's Deferred Stock Account will be credited, on or about January 2nd of the year following the election, with the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share) determined by dividing the balance in the participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account, and/or Deferred Cash Account by the average price paid by the Trustee of the Directors' Stock Trust for shares of Common Stock with respect to such date, or, if the Trustee shall not purchase



shares of Common Stock equal to the number of shares of Common Stock creditable to all participants' Deferred Stock Accounts on such date, then, to the extent of such shortfall, such price shall be the average of the high and low NYSE market price for the Common Stock on such date and the portion of the participant's Deferred Dividends Account balance, Deferred Retainer Account balance, Deferred Fees Account balance and/or Deferred Cash Account balance used in such calculation shall be proportionate to such shortfall amount. At the same time, the participant's Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account, as the case may be, will be debited by an amount equal to the amount so credited to the participant's Deferred Stock Account.

- (d) When a Reverse Conversion Election is made, the participant's Deferred Cash Account will be credited on or about January 2nd of the year following the election with the amount of cash determined by multiplying the number of shares of Common Stock (rounded to the nearest one-one hundredth of a share), computed to have been converted by reason of the participant's election, by the average of the high and low NYSE market price for the Common Stock on the first business day in January of such year. At the same time, the participant's Deferred Stock Account will be debited by the number of shares of Common Stock so deemed converted.

### 3.6 Change-of-Form Elections and Additional Deferral Elections

- (a) Any participant, who has made a Deferral Election, may make an additional election to change the form of distribution of the balance in any of his or her Deferred Accounts to one of the three acceptable forms of distributions under Section 3.8(b). Only one Change-of-Form Election may be made by any participant with respect to the balance in any Deferred Account attributable to any individual Deferred Election during any three (3) calendar years; provided, however, that no such Change-in-Form Election will be effective with respect to any balance in any participant's Deferred Account, unless made in connection with the establishment of the Deferred Account, until such balance has been in such Deferred Account for at least two (2) calendar years.
- (b) Any participant who has made a Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election or Deferred Fees Election may make an additional election to further postpone the initial starting date for distributions of the balance in his or her Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account or Deferred Stock Account (to the extent attributable to a Deferred Stock Election or Conversion Election with respect to a Restricted Stock Election, Deferred Dividends Election, Deferred Retainer Election and/or Deferred Fees Election) to a date no earlier than three full calendar years thereafter and no later than the latest date that would have been permitted under Sections 3.2(d) or 3.3(c), as the case may be, for the initial Deferral Election; provided, however, that only one such Additional Deferral Election may be made with respect to the balance in any Deferred Account attributable to any individual Deferral Election.

### 3.7 Investment Return on Deferred Accounts

- (a) The Committee shall credit the balance of each participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and Deferred Cash Account during the calendar year with an Interest Return equal to interest thereon. Such balances shall include all Interest Returns previously credited to the account. The Interest Return to be credited for each calendar year shall be calculated by multiplying the average daily balance in each such Deferred Account by the Moody's Seasoned Aaa Corporate Bond Rate in effect on the first business day of September of the previous calendar year, as published in the weekly Federal Reserve Statistical Release (Publication H.15).

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- (b) 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 (rounded to the nearest one-one hundredth of a share) 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 average price paid by the Trustee of the Stock Trust for shares of Common Stock with respect to the dividend payment date or, if the Trustee shall not at such time purchase any shares of Common Stock, then the price shall be the average of the high and low NYSE market price for the Common Stock on such date.
- (c) Within 60 days following the end of each calendar year, the Committee shall furnish each participant with a statement of account which shall set forth the balance in each of the individual's Deferred Accounts as of the end of such calendar year, inclusive of cumulative Interest Return and/or Dividend Reinvestment Return.

3.8

#### Distributions

- (a) Upon occurrence of an event specified in the participant's Deferral Election, as modified by any Change-in-Form Election, the amount of a participant's Deferred Pension Account, Deferred Dividends Account, Deferred Retainer Account, Deferred Fees Account and/or Deferred Cash Account shall be paid in cash and the amount of a participant's Deferred Stock Account shall, except as otherwise provided in Section 3.4(g) or 3.9 or to the extent the Company is otherwise, in the reasonable judgment of the Committee, precluded from doing so, be paid in shares of Common Stock (with any fractional share interest therein paid in cash to the extent of the then fair market value thereof), in each case to the participant or his or her beneficiary, as applicable. Such payment(s) shall be from the general assets of the Company (including the Directors' Stock Trust) in accordance with this Section 3.8.

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- (b) Unless other arrangements are specified by the Committee on a uniform and nondiscriminatory basis, deferred amounts shall be paid in the form of (i) a lump sum payment, (ii) in five approximately equal annual installments or (iii) in ten approximately equal annual installments, as elected by the participant at the time of his or her Deferral Election and as modified by any applicable subsequent Change-in-Form Election; provided, however, that payments shall be made only in a single lump sum if payment commences due to termination for cause. Such payments shall be made (or begin to be made) as soon as practicable following the occurrence of the event making payment necessary or, if so elected in the Deferral Election, on the January 31st of the calendar year immediately following such event.
- (c) In case of an unforeseeable emergency, a participant may request the Committee, on a form to be provided by the Committee, that payment be made earlier than the date to which it was deferred; provided, however, that no such acceleration of the distribution date(s) shall apply to that portion of the balance(s) in the participant's Deferred Accounts either attributable to Annual Share Amounts, and any Dividend Reinvestment Return credited thereon pursuant to Section 3.7(b), or to a Deferred Pension Election, and any Interest Return or Dividend Reinvestment Return credited thereon pursuant to Section 3.7.

For purposes of this Section 3.8(c), an "unforeseeable emergency" shall be limited to a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or of a dependent (as defined in section 152(a) of the Code) of the participant, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved: (i) through reimbursement or compensation by available insurance or otherwise, (ii) by liquidation of the participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (iii) by cessation of deferrals under the Plan.

The Committee shall consider any requests for payment under this Section 3.8(c) on a uniform and nondiscriminatory basis and in accordance with the standards of interpretation described in section 457 of the Code and the regulations thereunder.

- (d) The Company shall deduct from all payments under the Plan federal, State and local income and employment taxes, as required by applicable law. No participant or beneficiary shall be entitled to receive any distribution of shares of Common Stock credited to a participant's Deferred Stock Account until the

Company has received full payment of such withholding obligations in cash.

3.9

General Provisions

- (a) The Company shall make no provision for the funding of any Deferred Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Code 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 'SS' 1.83-3(e); and, except to the extent specified in the Directors' Stock Trust following a "change of control" (as defined in the Directors' 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 3.9(c), the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations 'SS' 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.
- (b) In the event that the Company shall decide to establish an advance accrual reserve on its books against the future expense of payments from any Deferred Account, 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, subject to claims of the Company's creditors.
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- (c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to a Deferred Account, shall have a claim upon the Company only to the extent of the balance(s) in his or her Deferred Accounts.
- (d) The participant's beneficiary under this Plan with respect to the balance(s) in his or her Deferred Accounts shall be the person designated to receive benefits on account of the participant's death on a form provided by the Committee.
- (e) All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with Section 3.9(a) (including the Directors' Stock Trust) will be paid by the Company.
- (f) Notwithstanding any other provision of this Plan: (i) elections under this Plan may only be made by participants while they are directors of the Company; (ii) no Conversion Election, Reverse Conversion Election, Change-of-Form Election or Additional Deferral Election shall be effective if made within six (6) months prior to the earlier of (1) the date of the participant's scheduled retirement or (2) the date the participant voluntarily terminates service on the Board; (iii) no Change-of-Form Election or Additional Deferral Election shall be effective with respect to any balance in any Deferred Account that is scheduled to be paid (or to begin to be paid) within six (6) months after the date of such election; and (iv)

distributions otherwise payable to a participant in the form of Common Stock shall be delayed and/or instead paid in cash in an amount equal to the fair market value thereof if such payment in Common Stock would violate any federal or State securities laws (including Section 16(b) of the Securities Exchange Act of 1934, as amended) and/or rules and regulations promulgated thereunder.

3.10 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.

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ARTICLE IV

Administration

4.1 Plan Administrator

Subject to the express provisions of the Plan, the Committee shall have the exclusive right to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations necessary or advisable for the administration of the Plan. 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 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.

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ARTICLE V

Amendment, Termination and Effective Date

5.1 Amendment of the Plan

Subject to the provisions of Section 5.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors.

5.2 Termination of the Plan

Subject to the provisions of Section 5.3, the Plan may be terminated at any time by written action of the Board of Directors.

5.3 No Impairment of Benefits

Notwithstanding the provisions of Sections 5.1 and 5.2, no amendment to or termination of the Plan shall impair any rights to benefits which have accrued hereunder.

5.4 Effective Date

The Plan is effective as of November 1, 1996.

BECTON, DICKINSON AND COMPANY  
 DEFERRED COMPENSATION PLAN  
 (Formerly the Becton, Dickinson and Company Salary and Bonus Deferral Plan)

Amended and Restated as of March 22, 2004

BECTON, DICKINSON AND COMPANY  
 DEFERRED COMPENSATION PLAN  
 Amended and Restated as of March 22, 2004

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BECTON, DICKINSON AND COMPANY

DEFERRED COMPENSATION PLAN

Amended and Restated as of March 22, 2004

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 is 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 is 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") and to clarify the Committee's discretion to require Deferral Elections to be made earlier than September 30 of a Plan Year with respect to amounts to be paid in a year or years following the Plan Year. The Plan is also amended to allow reallocations from a Participant's Deferred Stock Account to other Investment Options.

ARTICLE I

Definitions

Section 1.1 "Accounts" means the bookkeeping accounts established under the Plan, if any, on behalf of a Participant and includes earnings credited thereon or losses charged thereto.

Section 1.2 "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 elections to defer annual Base Salary, Bonuses, Equity-Based Compensation, and SERP distributions. Notwithstanding the foregoing, the Annual Open Enrollment Period for 2001 shall be the period designated by the Committee which ends not later than November 9, 2001.

Section 1.3 "Base Salary" means the base salary or wages otherwise taken into account under the Becton, Dickinson and Company Savings Incentive 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.

Section 1.4 "Board of Directors" means the Board of Directors of the Company.

Section 1.5 "Bonus" means the annual bonus payable under the Company's Performance Incentive Plan, or any successor thereto.

Section 1.6 "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 13d-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 1.6, the following acquisitions shall not constitute a Change of 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 1.6(3)(A), 1.6(3)(B) and 1.6(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.

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Section 1.7 "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

Section 1.8 "Committee" means the committee that 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.

Section 1.9 "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.

Section 1.10 "Company" means Becton, Dickinson and Company and any successor to such corporation by merger, purchase or otherwise.

Section 1.11 "Company Discretionary Credits" means the amounts credited to a Participant's Company Discretionary Credit Account, if any, pursuant to Section 3.6.

Section 1.12 "Company Discretionary 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 IV.

Section 1.13 "Company Matching Credits" means the amounts credited to a Participant's Company Matching Credit Account, if any, pursuant to Section 3.5.

Section 1.14 "Company Matching 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 IV.

Section 1.15 "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.

Section 1.16 "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.

Section 1.17 "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 IV.

Section 1.18 "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.

Section 1.19 "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.

Section 1.20 "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 4.3(b).

Section 1.21 "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.

Section 1.22 "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.

Section 1.23 "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 IV.

Section 1.24 "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.

Section 1.25 "Deferred SERP Distribution" means the amount of a Participant's SERP distribution that such Participant has elected to defer under this Plan pursuant to an election under Section 3.4.

Section 1.26 "Deferred SERP Distribution Account" means the bookkeeping account established under Section 3.4 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.27 "Deferred SERP Distribution Election" means the election by a Participant under Section 3.4 to defer all or a portion of the Participant's SERP distribution.

Section 1.28 "Deferred Stock Account" means the bookkeeping account established under Section 4.3(b) on behalf of a Participant and includes, in addition to amounts stated in that Section, any Dividend Reinvestment Return credited thereon.

Section 1.29 "Deferred Stock Election" means the election by a Participant under Section 4.3(b) to have applicable deferred amounts credited in the form of Common Stock to the Participant's Deferred Stock Account.

Section 1.30 "Disabled" means that a Participant is totally and permanently disabled as defined in the Company's Long-Term Disability Plan.

Section 1.31 "Dividend Reinvestment Return" means the amounts which are credited to each Participant's Deferred Stock Account pursuant to Section 4.3(b) to reflect dividends declared by the Company on its Common Stock.

Section 1.32 "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.

Section 1.33 "Equity-Based Compensation Plan" means the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan.

Section 1.34 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

Section 1.35 "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.

Section 1.36 "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 Company Common Stock in accordance with Article IV.

Section 1.37 "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.

Section 1.38 "NYSE" means The New York Stock Exchange.

Section 1.39 "Other Stock-Based Awards" means awards granted under Section 9 of the Equity-Based Compensation Plan.

Section 1.40 "Participant" means a common law employee of the Company who meets the eligibility requirements for a deferral under this Plan as set forth in Article II and who is eligible to elect to defer amounts under this Plan in accordance with Article III.

Section 1.41 "Performance Units" means awards granted under Section 8 of the Equity-Based Compensation Plan.

Section 1.42 "Plan" means the Becton, Dickinson and Company Deferred Compensation Plan (previously the Becton, Dickinson and Company Salary and Bonus Deferral Plan) as from time to time in effect.

Section 1.43 "Plan Year" means the calendar year.

Section 1.44 "Restricted Stock Units" means Restricted Stock Units granted under Section 7 of the Equity-Based Compensation Plan.

Section 1.45 "SERP" means the Becton, Dickinson and Company Retirement Benefit Restoration Plan, as from time to time in effect.

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Section 1.46 "Stock Award Plan" means the Becton, Dickinson and Company Stock Award Plan as the same may be amended from time to time.

Section 1.47 "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.

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## ARTICLE II

### Eligibility and Participation

#### Section 2.1 Eligibility

- (a) An individual shall be eligible to become a Participant in this Plan if the individual 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 \$100,000 or more for the calendar year in which the Deferral Election is required to be made.
- (b) The Committee shall have the ability to adjust, prospectively for any Plan Year, the dollar limitation in Section 2.1(a)(iii).
- (c) The Committee may also:
- (i) designate as ineligible particular individuals, groups of individuals or employees of business units who otherwise would be eligible under Section 2.1(a); or
  - (ii) designate as eligible particular individuals, groups of individuals or employees of business units who otherwise would be ineligible under Section 2.1(a).
- (d) 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, and any deferral elections then in effect shall cease to be effective. 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.

Section 2.2 Participation

- (a) Deferral Election. As soon as practicable after the Committee determines that an employee is eligible to become a Participant, the Committee shall

provide the Participant with the appropriate election forms with which a Participant may make a Deferral Election. In the case of an employee who first becomes eligible during a Plan Year, such Deferral Election may be made within the first thirty (30) days of eligibility with respect to any Salary to be earned thereafter for the remainder of the Plan Year. In the case of a newly-hired participant, 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 thereafter. In the case of Bonus awards granted in 2004 and 2005 and Equity-Based Compensation awards granted in 2003 and 2004, the Deferred Bonus and Deferred Equity-Based Compensation Elections shall be made by September 30, 2004, or such earlier time determined by the Committee. In the event that such Deferred Bonus and Deferred Equity-Based Compensation Elections are required by the Committee to be made earlier than September 30, 2004, in order that the Deferral Elections will be grandfathered under certain proposed legislation, but the legislation, as enacted, does not grandfather the Deferral Elections, the early Deferral Elections shall be void. 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.

- (b) 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) an election to defer Base Salary, Bonus, and/or Company Matching Credits and, with respect to deferrals made on or after January 1, 2002, and through December 31, 2003, a single deferral period election and distribution option election with respect to all such amounts deferred for any Plan Year (all such amounts deferred with respect to any Plan Year shall be treated as a single category of deferral for purposes of determining deferral periods and distribution options), and, with respect to amounts deferred after December 31, 2003, a single deferral period election and distribution option election with respect to Base Salary and Company Matching Credit (Base Salary and Company Matching Credit deferrals with respect to any Plan Year shall be treated as a single category of deferral for purposes of determining deferral periods and distribution options) and separate deferral period and distribution option elections with respect to Bonus;
  - (ii) an election to defer Equity-Based Compensation and a deferral period election with respect to Equity-Based Compensation, as determined by the Committee;
  - (iii) an election to defer SERP distributions 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);
  - (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(b) (i), a designation as to the form of distribution for each separate year's deferral and each separate category of deferral; 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.

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### ARTICLE III

#### Deferral Elections and Deferral Periods

##### Section 3.1 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 Becton, Dickinson and Company Savings Incentive 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, provided that a valid Deferred Salary Election is made by the date specified in Section 3.1(b). A Participant may elect to defer from 1% to 75% of the Participant's Base Salary (in increments of 1%); provided, however, that the Participant must elect a Deferred Salary amount of at least \$5,000. 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 Becton, Dickinson and Company Savings Incentive 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(a)), a Deferred Salary Election with respect to Base Salary for a particular calendar year must be made on or before the December 31 (November 9, 2001 with respect to salary earned during the 2002 year) preceding the commencement of such calendar year or at such earlier time as determined by the Committee. Once a Deferred Salary Election is made, it shall be irrevocable for the applicable calendar year and apply only to Base Salary otherwise to be paid during the applicable calendar year. 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.

##### Section 3.2 Deferred Bonus Election

- (a) Each Participant 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.

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- (b) A Deferred Bonus Election with respect to any Bonus to be paid in a particular calendar year must be made on or before the September 30 preceding the commencement of such calendar year (November 9, 2001 with respect to Bonus amounts to be paid in 2002) or at such earlier time as determined by the Committee. Once made, a Deferred Bonus Election cannot be changed or revoked 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.

Section 3.3 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 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 Equity-Based Compensation Election. A Participant may elect to defer from 1% to 100% of the Participant's 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 November 24, 2003, awards under the Stock Award Plan, provided, however, that the Participant's total Equity-Based Compensation Election must result in a deferral of at 100 units of Equity-Based Compensation.
- (b) A Deferred Equity-Based Compensation Election with respect to any Equity-Based Compensation to be paid in a particular calendar year must be made on or before September 30 preceding the commencement of such calendar year or at such earlier time as determined by the Committee. Once made, a Deferred Equity-Based Compensation Election cannot be changed or revoked 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 4.3(b).

Section 3.4 Deferred SERP Distribution Election

- (a) Each Participant who is otherwise a participant in the SERP may elect to make a Deferred SERP Distribution Election, at the time specified in subsection (b) below, with respect to a SERP distribution that is otherwise to be paid to the Participant. A Participant may elect to defer from 1% to 100% of the Participant's applicable SERP distribution (in increments of 1%); provided, however, that the total of the Participant's Deferred SERP Distribution Election must result in a deferral of at least \$5,000.

- (b) A Deferred SERP Distribution Election with respect to any SERP distribution payable during a particular calendar year must be made at least one year before the date that the SERP distribution is otherwise payable to the Participant. Once made, a Deferred SERP Distribution Election cannot be changed or revoked except as provided herein. Such Deferred SERP Distribution shall be credited to the Participant's Deferred SERP Distribution Account as soon as practicable after such amount would otherwise have

been payable to the Participant. If the Participant otherwise becomes entitled to a SERP distribution after having made such an election and before the end of such one-year period, such election shall be ineffective and the applicable SERP distribution shall not be deferred hereunder.

Section 3.5 Company Matching Credits

If a Participant has made a Deferred Salary Election in accordance with Section 3.1 and, as a result of such Deferred Salary Election, the Participant is entitled to a lower matching contribution amount under the SIP, then the Participant shall be eligible to have Company Matching Credits credited to the Participant's Company Matching Credit Account. The amount of such Company Matching Credits shall equal the amount of the matching contribution to which the Participant would have been entitled under the SIP had the Participant not made any Deferred Salary Election for the Plan Year under this Plan (taking into account all applicable Code limitations that limit the amount of matching contributions under the SIP) less an amount equal to the actual matching contribution to which the Participant is entitled under the SIP for the Plan Year. Such amounts shall be credited to the Participant's Company Matching Credit Account as soon as practicable after the end of the Plan Year and shall be subject to the vesting schedule described in Article IV.

Section 3.6 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.

Section 3.7 Deferral Period

With respect to amounts deferred in accordance with Sections 3.1 through 3.6, in accordance with section 2.2(b), each Participant must elect the deferral period for each separate category of deferral. Subject to the additional deferral provisions of Section 3.8 and the acceleration provisions of Article V, a Participant's deferral period 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, 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 3.5 or Section 3.6, 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 V.

Section 3.8 Modification of Deferral Period

- (a) With respect to any previously deferred amount 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 amount 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 provision of Section 5.2 below. No more than two such extensions may be elected by a Participant with respect to any specific deferred amount.

- (b) With respect to any previously deferred amount 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 5.2 below. No more than two such modifications may be elected by a Participant with respect to any specific deferred amount.

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#### ARTICLE IV

##### Participants' Accounts

###### Section 4.1 Crediting of Employee Deferrals and Company Matching and Discretionary 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.

###### Section 4.2 Investment Election

Effective January 1, 2002, all balances reflected through December 31, 2001 credited to the Accounts of Participants who are not actively employed on January 1, 2002 shall continue to be credited with earnings (or charged with losses) to reflect the income (or loss) that would have been earned had the deferred amounts been invested in the Investment Options then in effect with respect to such Participants. With respect to amounts credited to all other Participants' Accounts under the Plan, 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. An eligible Participant (including a Participant who terminates employment on

or after January 1, 2002) may change a prior Investment Election (or default Investment Election) with respect to deferred amounts on a monthly 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.

#### Section 4.3 Hypothetical Earnings

- (a) General. Subject to Section 4.2, 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

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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 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. Instead of having deferred amounts credited with hypothetical earnings (or losses) in accordance with Section 4.3(a), and subject to Section 4.2, a Participant may elect to have all or part of the Participant's deferred amounts (in whole percentage increments) credited in the form of Common Stock to a Deferred Stock Account. Such an election 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 4.2. 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, and any amounts credited to a Participant's Deferred Stock Account may 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).

A Participant's Deferred Stock Account will be credited:

- (i) 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
- (ii) 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

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- (iii) 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.

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.

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 4.3(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.

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.

- (c) Limitations on Allocations and Reallocations to and From Deferred Stock Account.

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 increases or decreases 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.

#### Section 4.4 Vesting

At all times a Participant shall be fully vested in his Deferred Salary, Deferred Bonus, Deferred Equity-Based Compensation, and Deferred SERP Distribution Accounts hereunder (including any earnings or losses and Dividend Reinvestment Return thereon). A Participant shall become vested in any Company Matching 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 Becton, Dickinson and Company Savings Incentive 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 5.1(b) (death) or Section 5.1(c) (disability), if a Participant terminates employment 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.

#### Section 4.5 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 V

### Distributions and Withdrawals

#### Section 5.1 Timing of Distribution

- (a) Time of Distribution - Distributions Other than Death, Disability, or Scheduled Distributions. Except as otherwise provided herein in the case of a Participant who retires and subject to Section 5.1(d), 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 5.2), at such date as determined in the sole discretion of the Committee following the earlier of: (i) the Participant's termination of employment, or (ii) the date otherwise specified in the Participant's Deferral Election. In the case of a Participant who retires from employment hereunder (as defined below), and subject to Section 5.1(d), 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 5.2), at such date as determined in the sole discretion of the Committee following the later of: (i) the Participant's retirement 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 to such a retired Participant 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 5.1(a), a Participant has "retired" from active employment if:
- (i) the Participant terminates from active employment after having attained age 65 with five years of service with the Company or an affiliate;
  - (ii) the Participant terminates from active employment after having attained age 55 with ten years of service with the Company or an affiliate; or
  - (iii) the Committee, in its sole discretion, otherwise determines that the Participant has retired for this purpose.
- (b) Timing of Distributions - Participant's Death. If a Participant dies before the full distribution of the Participant's Accounts under this Article V, 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 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.
- (c) **Timing of Distributions - Participant's Disability.** Notwithstanding anything in the Plan to the contrary, if a Participant becomes Disabled, the Participant will be treated as having terminated employment and 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 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, 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 5.1(f), in its sole discretion, approves such request.
- (d) **Scheduled Distribution.** As a part of the Participant's Deferral Election, 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 5.1(a). 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 terminates employment before commencing receipt of scheduled distributions, the timing requirements of Section 5.1(a) shall apply (which requirements provide for payment upon termination of employment, unless the Participant has attained retirement age, in which case a later distribution date may apply). If a Participant terminates employment 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 5.1(e) or Section 5.1(f). Notwithstanding the foregoing, if a Participant's employment is terminated for cause, as



determined by the Company, full payment of all remaining amounts 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. 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 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 5.1(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.
- (ii) For purposes of this Plan, an "unforeseeable emergency" shall mean an unanticipated emergency that is caused by an event beyond the control of the Participant and that would result in severe financial hardship to the Participant resulting from a sudden

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and unexpected illness or accident of the Participant or of a Participant's dependent (as defined in Code section 152(a)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control. The circumstances that will constitute an unforeseeable emergency will depend upon the facts 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.

- (iii) Notwithstanding the foregoing, payment under this subsection may not be made to the extent that such hardship is or may be relieved:

(A) through reimbursement or compensation by insurance or otherwise,

(B) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe

financial hardship, or

(C) 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 withdrawal shall be \$3,000.

## Section 5.2

### Form of Distribution

- (a) General. Except as otherwise provided in this Article V, all amounts payable from a Participant's Accounts shall be paid in one of the forms of distribution described in Subsections (b) and (c) below, as elected by the Participant in a Deferral Election or as modified by the Participant in accordance with Subsection (d) below. 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 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).

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- (b) 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.
- (c) 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, 10 or 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 5.1(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 in such Participant's Account shall be paid in the form of a single lump sum payment as soon as practicable after such termination.
- (d) Change in Form
  - (i) 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 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 (12) 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).

- (ii) In addition, with respect to a Participant who has commenced receiving 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 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

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specified by the Committee that is at least twelve (12) months after the date of the election.

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ARTICLE VI  
General Provisions

Section 6.1 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 'SS' 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 4.3, the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations 'SS' 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.

Section 6.2 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.

Section 6.3 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.

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Section 6.4 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.

Section 6.5 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.

Section 6.6 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.

Section 6.7 Mandatory Deferral

Notwithstanding any other provision of this Plan, the Compensation and Benefits Committee of the Company's Board of Directors may require an employee to defer: (i) the portion of any Base Salary, Bonus amount, Equity-Based Compensation, or SERP distribution, or (ii) the portion of any payment from any Account hereunder, in any case where the Company anticipates

that such portion otherwise would be nondeductible pursuant to section 162(m) of the Code.

Section 6.8 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.

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- (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.

Section 6.9 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.

Section 6.10 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.

Section 6.11 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.

Section 6.12 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.

Section 6.13 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.

Section 6.14 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 VII

Administration

Section 7.1 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.

Section 7.2 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.

ARTICLE VIII

Amendment, Termination and Effective Date

Section 8.1 Amendment of the Plan

Subject to Section 8.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors.

Section 8.2 Termination of the Plan

Subject to the provisions of Section 8.3, the Plan may be terminated at any time by written action of the Board of Directors.

Section 8.3 No Impairment of Benefits

Notwithstanding the provisions of Sections 8.1 and 8.2, no amendment to or termination of the Plan shall reduce the amount credited to any Participant's Accounts hereunder.

Section 8.4 Effective Date

The Plan, as previously amended and restated, was effective as of August 15, 1996. The Plan as set forth herein is amended and restated effective as of March 22, 2004, with the exception of the amendment to Section 4.2 allowing participants to allocate and reallocate deferrals out of a Deferred Stock Account, which amendment shall be effective beginning as of the first day of the quarter after the Plan amendments are approved.



BECTON, DICKINSON AND COMPANY

STOCK AWARD PLAN

AS AMENDED AND RESTATED AS OF MAY 25, 2004

1. Purpose of the Plan

The purposes of this Stock Award Plan (hereinafter the "Plan") of Becton, Dickinson and Company (hereinafter the "Company") are as follows:

(a) To further the Company's growth, development and financial success by providing additional incentives to Key Employees of the Company and its subsidiaries who have been or will be given responsibility for the management or administration of the business affairs of the Company and its subsidiaries by providing them the opportunity to become owners of capital stock of the Company and thus to benefit directly from its growth, development and financial success.

(b) To enable the Company and its subsidiaries to obtain and retain the services of the type of key professional, technical and managerial employees considered essential to the long range success of the Company by providing them an opportunity to become owners of capital stock of the Company.

2. Shares Subject to the Plan

(a) There are hereby authorized and reserved for issuance in satisfaction of Awards to be granted from time to time under the Plan an aggregate of 3,810,000 shares of the Company's Common Stock, par value \$1.00 per share (after giving effect to the two-for-one stock splits of the Company's Common Stock in 1996 and 1998). Shares delivered under the Plan may be authorized but unissued shares or shares which have been previously issued and reacquired by the Company, and when issued shall be fully paid and nonassessable. Shares subject to Awards granted under the Plan but not issued or delivered due to any such Awards terminating or expiring for any reason shall thereafter be available for further Awards under the Plan.

(b) No Award granted under this Plan shall by its terms, or otherwise, be transferable by the recipient of the Award (hereinafter "Grantee").

3. Administration of the Plan

The Plan shall be administered by the Compensation and Benefits Committee of the Board of Directors of the Company or such other committee as may be designated by the Board (the "Committee"). Subject to the express provisions of Paragraph 6 of the Plan with respect to eligibility, the Committee shall consult with the management of the Company but shall have plenary authority, in its discretion, to determine the individuals to whom awards shall be granted and the number of shares to be subject to each Award. In making such determinations, the Committee shall take into account the nature of the services rendered or expected to be rendered by the respective employees, their present and potential contributions to the Company's success and the anticipated number of years of effective service remaining, and may take into account such other factors as the Committee in its discretion shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan and the Awards granted under the Plan, to establish, amend and rescind rules and regulations as it deems necessary to the proper administration of the Plan, and to make all other determinations necessary or advisable for its administration. All Awards granted under the Plan shall contain such terms and conditions not inconsistent with the Plan as shall be determined by the Committee. The determinations of the Committee on the matters referred to in this paragraph shall be conclusive and binding on all parties.

4. The Committee

The Committee shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may make such rules and regulations for the conduct of its business as it shall deem advisable. No member or former member of the Committee shall be liable, in the absence of bad faith or misconduct, for

any act or omission with respect to his service on the Committee. Service on the Committee shall constitute service as a Director of the Company so that members of the Committee shall be entitled to indemnification and reimbursement as Directors of the Company pursuant to law, its Certificate of Incorporation or under any by-law, agreement, vote of shareholders or otherwise.

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#### 5. Granting of Awards

The Committee shall from time to time:

(a) Determine which employees are "Key Employees" and select from among the eligible Key Employees (including those to whom Awards may have been previously granted under the Plan) those who shall be granted Awards; and

(b) Determine the number of shares to be granted to said selected Key Employees; and

(c) Determine the terms and conditions of said Awards, consistent with the Plan.

Upon selection of a Key Employee to be granted an Award, the Committee shall instruct the Secretary of the Company to issue the Award, and may impose such conditions on the grant of the Award as it deems appropriate (including without limitation, mandatory deferrals of distributions under such Award), consistent with the Plan.

The effective date of the grant of an Award (hereinafter "Granting Date") shall be the date upon which the Committee makes a determination with respect to the granting of an Award.

#### 6. Participants

Awards may be granted only to employees (which term shall be deemed to include officers) of the Company or any present or future subsidiary (meaning any corporation or organization more than 50% of the voting shares of which are owned, directly or indirectly, by the Company) who, in the opinion of the Committee, exercise such functions or discharge such responsibilities that they merit consideration as "Key Employees". Awards may be granted to eligible Key Employees whether or not they hold or have held Awards previously granted under the Plan.

No member of the Committee shall be eligible to participate under this Plan while serving as a member of the Committee.

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#### 7. Terms of Award

An Award shall consist of two portions: a current portion and a deferred portion. A minimum of twenty-five percent (25%) of the total number of shares of each Award shall constitute the deferred portion.

Except as otherwise provided in Paragraph 11 hereof and subject to any terms and conditions established by the Committee for the distribution of such shares, sixty percent (60%) of the shares in the current portion of each Award shall become available to the Grantee on the third anniversary of the Granting Date and the remaining forty percent (40%) of such shares shall become available in two equal (or as near equal as full shares permit) annual installments commencing with the fourth anniversary of the Granting Date.

Pursuant to Paragraph 5 hereof, the Committee may, in connection with the granting of an Award, place such terms and conditions on the distribution of the shares subject thereto (including without limitation, mandatory deferrals of

distributions and conditions based on the operating performance of the Company) as the Committee deems appropriate.

The shares in the deferred portion of each Award will be credited to a separate account maintained for each Grantee, and, except as otherwise provided in Paragraph 11 hereof, shall become available to the Grantee in five equal (or as near equal as full shares permit) annual installments commencing on the January 1st next following the happening of the first of the following events: retirement, involuntary separation, or discharge for other than cause.

A Grantee who at any time prior to the third anniversary of the Granting Date voluntarily resigns or is discharged for cause, automatically forfeits any undistributed shares in the current portion of an Award, as of the date notice of said resignation is given to the Company or notice of said discharge is given to the Grantee. A Grantee who voluntarily resigns or is discharged for cause automatically forfeits all of the shares in the deferred portion of an Award, as of the date notice of said resignation is given to the Company or notice of said discharge is given to the Grantee.

Retirement pursuant to any Company or subsidiary retirement plan shall not constitute a termination of employment by voluntary resignation or discharge for cause.

Upon the death of a Grantee, all undistributed shares in the deferred portion of any Awards granted to the Grantee hereunder shall become immediately distributable to the designated beneficiary of the Grantee, or, if no unrevoked designation of beneficiary exists, to the Grantee's estate; provided, however, that the Grantee may elect to have all such undistributed shares distributed to such designated beneficiary or estate in five equal annual installments commencing on the January 1st next following the death of the Grantee.

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#### 8. Delivery of Shares

Certificates for shares becoming available in accordance with the provisions of Paragraph 7 shall be issued and delivered to the Grantee as soon as reasonably practicable, but the Company shall not be required to deliver any certificate or certificates for said shares prior to the fulfillment of all of the following conditions:

(a) The receipt by the Secretary of the Company of such executed agreements and other documents as the Committee, in its discretion, may require in connection with the issuance and delivery of said shares, the payment of any withholding tax which may be due in respect to said Award, or any other aspect of said Award; and

(b) The authorization for the listing upon official notice of issuance by all stock exchanges on which said Common Stock may then be listed; and

(c) The completion of any registration or other qualification of said shares or this Plan under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its discretion, deem necessary or advisable; and

(d) The obtaining of any approval or other clearance from any state or federal government agency which the Committee shall, in its discretion, determine to be necessary or advisable.

The Grantee of an Award shall not be, nor have any of the rights or privileges of a shareholder of the Company in respect of any shares so awarded unless and until certificates representing such shares have been delivered by the Company to the Grantee.

#### 9. Termination of Employment

In respect to an Award, any termination of employment shall mean the date upon which the employee-employer relationship between the Grantee and the Company or a subsidiary is terminated for any reason, including, but not limited to a termination by resignation, discharge, death or retirement, but excluding any such termination where there is a simultaneous re-employment by the Company or by a subsidiary if, and only if, such re-employment is not disapproved by the Committee.

Nothing in the Plan or in any Award granted pursuant to the Plan shall confer on any individual any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any of its subsidiaries to terminate his employment at any time.

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#### 10. Adjustment Upon Changes in Capitalization

(a) In the event of a recapitalization of the Company, reclassification, stock split or combination, stock dividend, spin-off, split-off or other distribution of stock or property of the Company, or any merger, consolidation, other change in corporate capitalization or corporate structure, or the sale or other transfer by the Company of all or a part of its assets, (not including any transaction constituting a change in control of the Company, as defined in and separately covered by Paragraph 11), pursuant to which new or additional stock or securities, or cash or other property, is received by holders of Common Stock, or shares of Common Stock are exchanged for such stock, securities, cash or property, then the Board of Directors shall make appropriate adjustments to the shares reserved for issuance of Awards under the Plan, and to outstanding Awards and the type and amount of consideration deliverable thereunder, in order to ensure that a Grantee receives benefits under the Plan upon the occurrence of any such events equivalent to the benefits which such Grantee would have received in the absence of such occurrence.

(b) No fractional shares shall be considered as a result of any adjustment as herein provided and in the event a fraction of a share results from the computation of the adjustment of any Award, the number of shares shall be the next highest round number.

#### 11. Payments Upon a Change in Control

(a) In the event of a change in control of the Company (in accordance with subparagraph (b) below), all outstanding Awards previously granted pursuant to the Plan shall vest immediately and each holder of an Award (whether or not then employed by the Company) shall be entitled to a payment in cash equal to the product of (i) the number of shares subject to such Awards, times (ii) the higher of (x) the closing price of a share of Common Stock on the New York Stock Exchange on the date when the change of control occurs and (y) the highest price paid pursuant to such change in control for a share of Common Stock. Such cash payment shall be made immediately upon the occurrence of a change in control of the Company and shall be supplemented subsequently for any higher price paid for a share of Common Stock, after initial payment hereunder, pursuant to such change in control or any other change in control which may occur within six months after such initial change in control. If the consideration deliverable pursuant to an Award shall have been adjusted pursuant to Paragraph 10 hereof to consist of consideration other than Common Stock, or if the amount paid for a share of Common Stock pursuant to a change in control of the Company shall be in a form other than cash, the Committee (as constituted prior to any change in the composition of the Board of Directors resulting from the change in control) shall determine the cash value of Awards for purposes of this Paragraph.

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(b) For purposes of this Plan, a "change in control of the Company" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company

representing 25% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years individuals who at the beginning of such period constitute the Board of Directors and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (iii) substantially all the assets of the Company are disposed of by the Company pursuant to a merger, consolidation, partial or complete liquidation, a sale of assets (including stock of a subsidiary) or otherwise but not including a reincorporation or similar transaction resulting in a change only in the form of ownership of such assets.

#### 12. Amendment and Termination of the Plan

The Board of Directors of the Company may at any time terminate the Plan, and shall have complete power and authority to amend the Plan, provided, however, that the Board of Directors shall not without the affirmative vote of the holders of a majority of the votes cast at a meeting of shareholders of the Company (i) increase the maximum number of shares, subject to adjustment as provided for in this Plan, for which Awards may be granted under the Plan, (ii) amend the requirements as to the class of employees eligible to receive Awards, or (iii) amend the requirements with respect to the lapse of time from the Granting Date for the distribution of shares under Awards granted pursuant to the Plan. No termination or amendment of the Plan may, without the consent of the individual to whom any Award shall theretofore have been granted, adversely affect the rights of such individual under such Award.

U.S. \$900,000,000

AMENDED AND RESTATED  
FIVE YEAR CREDIT AGREEMENT

Dated as of August 13, 2004

Among

BECTON, DICKINSON AND COMPANY  
as Borrower

and

THE BANKS NAMED HEREIN  
as Banks

CITICORP USA, INC.  
as Administrative Agent

BANK OF TOKYO-MITSUBISHI TRUST COMPANY  
as Syndication Agent

and

CITIGROUP GLOBAL MARKETS INC.  
and

BANK OF TOKYO-MITSUBISHI TRUST COMPANY  
as Joint Lead Arrangers and Joint Bookrunners

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AMENDED AND RESTATED FIVE YEAR CREDIT AGREEMENT dated as of August 13, 2004 among BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), the banks (the "Banks") listed on the signature pages hereof, BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as syndication agent, and CITICORP USA, INC. ("CUSA") as administrative agent (in such capacity, the "Administrative Agent") for the Lenders hereunder.

PRELIMINARY STATEMENTS:

(1) The Borrower is party to a Five Year Credit Agreement dated as of August 17, 2001 (as amended, supplemented or otherwise modified from time to time to (but not including) the date of this Amended and Restated Five Year Credit Agreement (this "Agreement"), the "Existing Credit Agreement") with the banks, financial institutions and other institutional lenders party thereto and Citibank, N.A., as Administrative Agent for the lenders.

(2) The parties to this Agreement desire to amend the Existing Credit Agreement as set forth herein and to restate the Existing Credit Agreement in its entirety as set forth below.

(3) The Borrower has requested that the Banks make loans to it in an aggregate principal amount not exceeding \$900,000,000 at any one time outstanding to support the Borrower's commercial paper program and for other general corporate purposes, and the Banks are prepared to make such loans upon the terms and conditions hereof. Accordingly, the parties hereto agree as follows:

ARTICLE I  
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"A Advance" means an advance by a Lender to the Borrower as part of an A Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of A Advance.

"A Borrowing" means (a) a borrowing consisting of simultaneous A Advances of the same Type having the same Interest Period and (b) other than for purposes of Sections 2.02 and 3.02, (i) the simultaneous Conversion of A Advances of one Type to A Advances of the other Type (having, in the case of Conversions into Eurodollar Rate Advances, the same Interest Period) and (ii) the simultaneous Continuation of Eurodollar Rate Advances as Eurodollar Rate Advances having the same Interest Period.

"A Note" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A-1 hereto, evidencing the aggregate

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indebtedness of the Borrower to such Lender resulting from the A Advances made by such Lender.

"Advance" means an A Advance or a B Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to vote 5% or more of the voting capital stock of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of such voting capital stock, by contract or otherwise.

"Applicable Facility Fee Rate" for any Rating Level Period means the rate set forth below opposite the reference to such Rating Level Period:



<TABLE>  
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Rating Level Period	Applicable Facility Fee Rate (% p.a.)
<S>	<C>
Level 1 Period	0.0700%
Level 2 Period	0.0800%
Level 3 Period	0.0900%
Level 4 Period	0.1000%
Level 5 Period	0.1250%
Level 6 Period	0.1750%

</TABLE>

Each change in the Applicable Facility Fee Rate resulting from a Rating Level Change shall be effective on the effective date of such Rating Level Change.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance and, in the case of a B Advance, the office of such Lender notified by such Lender to the Administrative Agent as its Applicable Lending Office with respect to such B Advance.

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"Applicable Margin" for any A Advance for any Rating Level Period means the rate for the respective Type of A Advance set forth below opposite the reference to such Rating Level Period:

<TABLE>  
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Rating Level Period	Applicable Margin (% p.a.)	
	Base Rate Advances	Eurodollar Rate Advances
<S>	<C>	<C>
Level 1 Period	0.0000%	0.1800%
Level 2 Period	0.0000%	0.2200%
Level 3 Period	0.0000%	0.2600%
Level 4 Period	0.0000%	0.3500%
Level 5 Period	0.0000%	0.3750%
Level 6 Period	0.0000%	0.5750%

</TABLE>

Each change in the Applicable Margin resulting from a Rating Level Change shall be effective (including with respect to each A Advance then outstanding) on the effective date of such Rating Level Change.

"Applicable Utilization Fee Rate" for any Rating Level Period means the rate set forth below opposite the reference to such Rating Level Period:

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Rating Level Period	Applicable Utilization Fee Rate (% p.a.)
<S>	<C>
Level 1 Period	0.0500%
Level 2 Period	0.0750%
Level 3 Period	0.1000%
Level 4 Period	0.1000%

Level 5 Period 0.1250%

Level 6 Period 0.1250%

</TABLE>

Each change in the Applicable Utilization Fee Rate resulting from a Rating Level Change shall be effective on the effective date of such Rating Level Change.

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"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto.

"B Advance" means an advance by a Lender to the Borrower as part of a B Borrowing resulting from the auction bidding procedure described in Section 2.03.

"B Borrowing" means a borrowing consisting of simultaneous B Advances from each of the Lenders whose offer to make one or more B Advances as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 2.03.

"B Note" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of Exhibit A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from a B Advance made by such Lender.

"B Reduction" has the meaning specified in Section 2.01.

"Base Rate" means, for any period, a fluctuating interest rate per annum in effect from time to time which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York from time to time as Citibank's base rate; and

(b) 1/2 of one percent per annum above the Federal Funds Rate for such period.

"Base Rate Advance" means an A Advance which bears interest as provided in Section 2.07(a)(i) or 2.07(b)(i)(x).

"Borrowing" means an A Borrowing or a B Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advance, on which dealings are carried on in the London interbank market.

"Change in Control" means any of the following events:

(a) the Borrower is merged, consolidated or reorganized into or with another corporation or other Person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then outstanding securities of the corporation or other Person that is the survivor of such merger, consolidation or reorganization immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such transaction; or

(b) the Borrower sells all or substantially all of its assets to any other corporation or other Person, and less than a majority of the combined voting power of the

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then outstanding securities of such corporation or other Person immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such sale; or

(c) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this paragraph (c) such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than 50% of the aggregate voting power of all Voting Stock of the Borrower; or

(d) during any period of 25 consecutive calendar months, a majority of the Board of Directors of the Borrower shall no longer be composed of individuals (i) who were members of said Board on the first day of such period, (ii) whose election or nomination to said Board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of said Board or (iii) whose election or nomination to said Board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of said Board.

"Citibank" means Citibank, N.A.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" has the meaning specified in Section 2.01.

"Commitment Termination Date" means August 13, 2009 or, if the Commitment Termination Date is extended pursuant to Section 2.05(b), the date to which such Commitment Termination Date is extended, provided in each case that if such date is not a Business Day, then the Commitment Termination Date shall be the immediately preceding Business Day.

"Consolidated Subsidiary" means, at any date, any Subsidiary of the Borrower or other entity the accounts of which would be consolidated with those of the Borrower in its consolidated financial statements if such statements were prepared as of such date.

"Continuation", "Continue" and "Continued" each refers to a continuation of Eurodollar Rate Advances from one Interest Period to the next Interest Period pursuant to Section 2.10.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.09 or 2.10.

"Debt" means (a) indebtedness for borrowed money, (b) obligations evidenced by bonds, debentures, notes or other similar instruments, (c) obligations to pay the deferred

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purchase price of property or services, (d) obligations as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, and (e) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (a) through (d) above; provided that neither trade accounts payable arising in the ordinary course of business nor obligations in respect of insurance policies or performance or surety bonds which are not themselves guarantees of Debt (nor drafts, acceptances or similar instruments evidencing the same nor obligations in respect of letters of credit supporting the payment of the same) shall constitute Debt.

"Default" means an event that, with notice or lapse of time or both, would become an Event of Default.

"Designated Bidder" means (a) an Eligible Assignee or (b) a special purpose corporation which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and that issues (or the parent of which issues) commercial paper rated at least P-1 by Moody's or A-1 by Standard & Poor's (or a comparable rating from a successor of either of them), that, in either case, (i) is organized under the laws of the United States or any State thereof, (ii) shall have become a party hereto pursuant to Section 8.07(d), (e) and (f), and (iii) is not otherwise a Lender.

"Designation Agreement" means a designation agreement entered into by a Lender (other than a Designated Bidder) and a Designated Bidder, and accepted by the Administrative Agent, in substantially the form of Exhibit D hereto.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" in the Administrative Questionnaire of such Bank or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"EBITDA" means, for any period, the sum (without duplication), for the Borrower and its Consolidated Subsidiaries (on a consolidated basis), of (a) net income for such period plus (b) to the extent deducted in determining net income for such period, the sum of (i) depreciation and amortization for such period, (ii) Interest Expense for such period and (iii) taxes for such period.

"Effective Date" means the earliest date as of which the conditions precedent to effectiveness set forth in Section 3.01 shall have been satisfied or waived.

"Eligible Assignee" means:

(a) a commercial bank organized under the laws of the United States, or any State thereof, and having total assets in excess of \$1,000,000,000;

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(b) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having total assets in excess of \$500,000,000;

(c) a commercial bank organized under the laws of any other country which is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow or of the Cayman Islands, or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000, provided that such bank is acting through a branch or agency located in the United States;

(d) the central bank of any country which is a member of the OECD;

(e) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of \$150,000,000;

(f) a Lender; and

(g) an Affiliate of a Lender;

provided that neither the Borrower nor any Affiliate of the Borrower shall qualify as an Eligible Assignee.

"Environmental Laws" means any and all present and future Federal, state, local and foreign laws, rules or regulations, and any orders or decrees, in each case as now or hereafter in effect, relating to the regulation or protection of human health, safety or the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes into the indoor or outdoor environment, including, without limitation, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or toxic or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code of which the Borrower is a member and (b) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA

and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which the Borrower is a member.

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"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" in the Administrative Questionnaire of such Lender or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

"Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance, an interest rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to such Reference Bank's Eurodollar Rate Advance comprising part of the related A Borrowing and for a period equal to such Interest Period. The Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of such related A Borrowing shall be determined by the Administrative Agent on the basis of applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.09.

"Eurodollar Rate Advance" means an A Advance which bears interest as provided in Section 2.07(a)(ii) or 2.07(b)(i)(y).

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for any Eurodollar Rate Advance means the effective rate (expressed as a percentage) at which reserve requirements (including, without limitation, emergency, supplemental and other marginal reserve requirements) are imposed on such Lender during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Excluded Period" means, with respect to any additional amount payable under Section 2.12, the period ending 120 days prior to the applicable Lender's delivery of a certificate referenced in Section 2.12(a) or 2.12(b), as applicable, with respect to such additional amount.

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"Existing Commitment Termination Date" has the meaning specified in Section 2.05(b).

"Existing Credit Agreement" has the meaning specified in the Preliminary Statements.

"Facility Fee" has the meaning specified in Section 2.04(a).

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members

of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" has the meaning specified in Section 1.03.

"Interest Coverage Ratio" means, at any date of determination thereof, the ratio of (a) EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date to (b) Interest Expense for such period.

"Interest Expense" means, for any period, the sum (determined without duplication) of the aggregate amount of cash interest accruing during such period on the Debt of the Borrower and its Consolidated Subsidiaries (on a consolidated basis), including, without limitation, the interest portion of payments under capital lease obligations and any capitalized interest.

"Interest Period" means, with respect to any Eurodollar Rate Advance, the period beginning on the date such Eurodollar Rate Advance is made or Continued, or Converted from a Base Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, and subject to clause (iii) of this definition, nine or twelve months, as the Borrower may, upon notice received by the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided, however, that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) each Interest Period that begins on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month;

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(iii) the Borrower shall not be entitled to select an Interest Period having duration of nine or twelve months unless, by 2:00 P.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, each Lender notifies the Administrative Agent that such Lender will be providing funding for such Eurodollar Rate Advance with such Interest Period (the failure of any Lender to so respond by such time being deemed for all purposes of this Agreement as an objection by such Lender to the requested duration of such Interest Period); provided that, if any or all of the Lenders object to the requested duration of such Interest Period, the duration of the Interest Period for such Eurodollar Rate Advance shall be one, two, three or six months, as specified by the Borrower as the desired alternative to an Interest Period of nine months or twelve months; and

(iv) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Lenders" means the Banks listed on the signature pages hereof, each Person that shall become a party hereto pursuant to Section 2.05, Section 8.07(a), (b) and (c) or Section 8.12, and, except when used in reference to an A Advance, an A Borrowing, an A Note, a Commitment or a related term, each Designated Bidder.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Majority Lenders" means at any time Lenders holding at least 51% of the then aggregate unpaid principal amount of the A Advances held by Lenders, or, if no such principal amount is then outstanding, Lenders

having at least 51% of the Commitments.

"Material Adverse Effect" means a material adverse effect on (i) the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) the legality, validity or enforceability of this Agreement or any Note.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" means a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been made by the Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA.

"Non-Extending Lender" has the meaning specified in Section 2.05(b).

"Note" means an A Note or a B Note.

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"Notice of A Borrowing" has the meaning specified in Section 2.02(a).

"Notice of B Borrowing" has the meaning specified in Section 2.03(a).

"OECD" means the Organization for Economic Cooperation and Development.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate and that is covered by Title IV of ERISA, other than a Multiemployer Plan.

"Rated Securities" means, at any time, the long-term senior unsecured, unguaranteed debt securities of the Borrower outstanding at such time.

"Rating Level Change" means a change in the rating of the Rated Securities by either or both of Moody's or Standard & Poor's (other than as a result of a change in the rating system of such rating agency) that results in the change from one Rating Level Period to another, which Rating Level Change shall be effective on the date on which the relevant change in the rating of the Rated Securities is first announced by Moody's or Standard & Poor's, as the case may be.

"Rating Level Period" means, as of any period, the level set forth below as then in effect, as determined in accordance with the following provisions of this definition:

"Level 1 Period" means a period during which the Rated Securities are rated better than or equal to Aa2 by Moody's or better than or equal to AA by Standard & Poor's.

"Level 2 Period" means a period that is not a Level 1 Period during which the Rated Securities are rated better than or equal to A1 by Moody's or better than or equal to A+ by Standard & Poor's.

"Level 3 Period" means a period that is not a Level 1 Period or a Level 2 Period during which the Rated Securities are rated better than or equal to A2 by Moody's or better than or equal to A by Standard & Poor's.

"Level 4 Period" means a period that is not a Level 1 Period, a Level 2 Period or a Level 3 Period during which the Rated Securities are rated better than or equal to A3 by Moody's or better than or equal to A- by Standard & Poor's.

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"Level 5 Period" means a period that is not a Level 1 Period, a Level 2 Period, a Level 3 Period or a Level 4 Period during which the Rated Securities are rated better than or equal to Baal by Moody's or better than or equal to BBB+ by Standard & Poor's.

"Level 6 Period" means each period other than a Level 1 Period, a Level 2 Period, a Level 3 Period, a Level 4 Period or a Level 5 Period, and shall include each period during which both Moody's and Standard & Poor's shall not have in effect a rating for the Rated Securities (other than because either such rating agency shall no longer be in the business of rating corporate debt obligations).

For purposes of the forgoing, (a) if only one of Moody's and Standard & Poor's shall have in effect a rating for the Rated Securities, the Rating Level Period shall be determined by reference to the available rating and (b) if the Rated Securities are rated by Moody's and Standard & Poor's with ratings that would otherwise fall within different Rating Level Periods, the applicable Rating Level Period shall be determined by the rating that results in the higher Rating Level Period except that if the lower of such ratings would result in a Rating Level Period that is more than one level below the higher of such Rating Level Periods, the Rating Level Period shall be determined by reference to the rating that is one level above the lower of such ratings.

"Reference Banks" means CUSA and Bank of Tokyo-Mitsubishi Trust Company.

"Register" has the meaning specified in Section 8.07(g).

"Reportable Event" has the meaning set forth in Title IV of ERISA.

"Standard & Poor's" means Standard & Poor's Ratings Services, presently a division of The McGraw-Hill Companies, Inc., and its successors.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Taxes" has the meaning specified in Section 2.15.

"Termination Date" means the Commitment Termination Date or the earlier date of termination in whole of the Commitments pursuant to Section 2.05(a) or 6.01.

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"Utilization Fee" has the meaning specified in Section 2.04(b).

"Voting Stock" means, at any time, the outstanding securities of the Borrower entitled to vote generally in the election of directors of the Borrower.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles ("GAAP") as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any defined term or covenant to eliminate the effect of any change in generally accepted accounting principles on the



operation of such defined term or covenant (or if the Administrative Agent notifies the Borrower that the Majority Lenders wish to amend such defined term or covenant for such purpose), then the Borrower's compliance with this Agreement shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such defined term or covenant is amended in a manner satisfactory to the Borrower and the Majority Lenders.

ARTICLE II  
AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The A Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make A Advances to the Borrower from time to time on any Business Day during the period from the date hereof until the Termination Date in an aggregate amount not to exceed at any time outstanding the amount set opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register, as such amount may be reduced pursuant to Section 2.05(a) (such Lender's "Commitment"), provided that the aggregate amount of the Commitments of the Lenders shall be deemed used from time to time to the extent of the aggregate amount of the B Advances then outstanding and such deemed use of the aggregate amount of the Commitments shall be deemed applied to the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "B Reduction").

(b) Each A Borrowing (i) shall (except as otherwise provided in Sections 2.09(f) and (g)) be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) shall consist of A Advances of the same Type (and, if such Advances are Eurodollar Rate Advances, having the same Interest Period) made, Continued or

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Converted on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.11(b) and reborrow under this Section 2.01.

SECTION 2.02. Making the A Advances.

(a) Each A Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed A Borrowing (in the case of an A Borrowing consisting of Eurodollar Rate Advances) or given not later than 11:00 A.M. (New York City time) on the Business Day of the proposed A Borrowing (in the case of an A Borrowing consisting of Base Rate Advances), by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier. Each such notice of an A Borrowing (a "Notice of A Borrowing") shall be by telecopier, in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such A Borrowing, (ii) Type of A Advances comprising such A Borrowing, (iii) aggregate amount of such A Borrowing, and (iv) in the case of an A Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such A Advance. Each Lender shall, before 1:00 P.M. (New York City time) on the date of such A Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such A Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b) Anything in subsection (a) above to the contrary notwithstanding, the Borrower may only select Eurodollar Rate Advances for any A Borrowing in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof.

(c) Each Notice of A Borrowing shall be irrevocable and binding on the Borrower. In the case of any A Borrowing which the related Notice of A Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill, on or before the date specified in such Notice of A Borrowing, the applicable conditions set forth in Article III, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the A Advance to be made

by such Lender as part of such A Borrowing. The Borrower shall pay amounts owing to any Lender pursuant to this Section 2.02(c) within 30 days after receipt from such Lender of a certificate setting forth in reasonable detail the calculation of the amount such Lender is entitled to claim under this Section 2.02(c) (which certificate shall be conclusive and binding for all purposes, absent manifest error).

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any A Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such A Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such A Borrowing in accordance with subsection (a) of this Section 2.02

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and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to A Advances comprising such A Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's A Advance as part of such A Borrowing for purposes of this Agreement (and such A Advance shall be deemed to have been made by such Lender on the date on which such amount is so repaid to the Administrative Agent).

(e) The failure of any Lender to make the A Advance to be made by it as part of any A Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its A Advance on the date of such A Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the A Advance to be made by such other Lender on the date of any A Borrowing.

#### SECTION 2.03. The B Advances.

(a) Each Lender severally agrees that the Borrower may request B Borrowings under this Section 2.03 from time to time on any Business Day during the period from the date hereof until the date occurring 30 days prior to the Termination Date in the manner set forth below; provided that, following the making of each B Borrowing, the aggregate amount of the Advances then outstanding shall not exceed the aggregate amount of the Commitments of the Lenders (computed without regard to any B Reduction). The following procedures shall apply:

(i) The Borrower may request a B Borrowing under this Section 2.03 by delivering to the Administrative Agent, by telecopier, a notice of a B Borrowing (a "Notice of B Borrowing"), in substantially the form of Exhibit B-2 hereto, specifying the date and aggregate amount of the proposed B Borrowing, the maturity date for repayment of each B Advance to be made as part of such B Borrowing (which maturity date may not be earlier than the date occurring 30 days after the date of such B Borrowing or later than the Termination Date), the interest payment date or dates relating thereto, and any other terms to be applicable to such B Borrowing, not later than 10:00 A.M. (New York City time):

(A) at least one Business Day prior to the date of the proposed B Borrowing, if the Borrower shall specify in the Notice of B Borrowing that the rates of interest to be offered by the Lenders shall be fixed rates per annum (such Borrowing, a "Fixed Rate B Borrowing") and

(B) at least four Business Days prior to the date of the proposed B Borrowing, if the Borrower shall instead specify in the Notice of B Borrowing the

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basis to be used by the Lenders in determining the rates of interest to be offered by them (such Borrowing, a "Specified Basis B Borrowing").

Simultaneously with each such request, the Borrower shall pay to the Administrative Agent, for the Administrative Agent's account, a non-refundable fee in the amount heretofore agreed between the Borrower and the Administrative Agent. Promptly following the Administrative Agent's receipt of such request and the fee referred to in the preceding sentence, the Administrative Agent shall notify each Lender of such request for a B Borrowing received by it from the Borrower by sending such Lender a copy of the related Notice of B Borrowing.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more B Advances to the Borrower as part of such proposed B Borrowing at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 10:00 A.M. (New York City time) (A) on the date of such proposed B Borrowing (in the case of a Fixed Rate B Borrowing) and (B) three Business Days before the date of such proposed B Borrowing (in the case of a Specified Basis B Borrowing), of the minimum amount and maximum amount of each B Advance which such Lender would be willing to make as part of such proposed B Borrowing (which amounts may, subject to the proviso to the first sentence of this Section 2.03(a), exceed such Lender's Commitment, if any), the rate or rates of interest therefor and such Lender's Applicable Lending Office with respect to such B Advance; provided that if the Administrative Agent in its capacity as a Lender shall, in its sole discretion, elect to make any such offer, it shall notify the Borrower of such offer before 9:30 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Lenders. If any Lender shall elect not to make such an offer, such Lender shall so notify the Administrative Agent, before 10:00 A.M. (New York City time) on the date on which notice of such election is to be given to the Administrative Agent by the other Lenders, and such Lender shall not be obligated to, and shall not, make any B Advance as part of such B Borrowing; provided that the failure by any Lender to give such notice shall not cause such Lender to be obligated to make any B Advance as part of such proposed B Borrowing.

(iii) The Borrower shall, in turn, (A) before 11:00 A.M. (New York City time) on the date of such proposed B Borrowing (in the case of a Fixed Rate B Borrowing) and (B) before 1:00 P.M. (New York City time) three Business Days before the date of such proposed B Borrowing (in the case of a Specified Basis B Borrowing), either:

(x) cancel such B Borrowing by giving the Administrative Agent notice to that effect, or

(y) in its sole discretion, (1) accept one or more of the offers made by any Lender or Lenders pursuant to paragraph (ii) above by giving notice to the Administrative Agent of the amount of each B Advance to be made by each Lender as part of such B Borrowing (provided that (I) the amount of each such B

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Advance shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such B Advance pursuant to paragraph (ii) above and (II) such offers, if accepted, must be accepted in ascending order of the rates of interest specified by the offering Lenders in their respective notices delivered pursuant to paragraph (ii) above (in each case beginning with the lowest rate so offered) and, if offers are made by two or more Lenders with the same rates of interest for a greater aggregate principal amount than the amount in respect of which offers are accepted, then the principal amount of B Advances in respect of which such offers are accepted shall be allocated by the Borrower among such Lenders as nearly as possible (in integral multiples of \$1,000,000) in proportion to the aggregate maximum principal amount of such offers by such Lenders), and (2) reject any remaining offers made by Lenders pursuant to paragraph (ii) above by giving the Administrative Agent notice to that effect.

(iv) If the Borrower notifies the Administrative Agent that such B Borrowing is canceled pursuant to paragraph (iii)(x) above, the Administrative Agent shall give prompt notice thereof to the Lenders and such B Borrowing shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to paragraph (iii)(y) above, the Administrative Agent shall in turn promptly notify (A) each Lender that has made an offer as described in paragraph (ii) above, of the date and aggregate amount of such B Borrowing and whether or not any offer or offers made by such Lender pursuant to paragraph (ii) above have been accepted by the Borrower, (B) each Lender that is to make a B Advance as part of such B Borrowing, of the amount of each B Advance to be made by such Lender as part of such B Borrowing, and (C) each Lender that is to make a B Advance as part of such B Borrowing, upon receipt, that the Administrative Agent has received forms of documents appearing to fulfill the applicable conditions set forth in Article III. Each Lender that is to make a B Advance as part of such B Borrowing shall, before 12:00 noon (New York City time) on the date of such B Borrowing specified in the notice received from the Administrative Agent pursuant to clause (A) of the preceding sentence or any later time when such Lender shall have received notice from the Administrative Agent pursuant to clause (C) of the preceding sentence, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02 such Lender's portion of such B Borrowing, in same day funds. Upon fulfillment of the applicable conditions set forth in Article III and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address. Promptly after each B Borrowing the Administrative Agent will notify each Lender of the amount of the B Borrowing, the consequent B Reduction and the dates upon which such B Reduction commenced and will terminate.

(b) As promptly as practicable after the date of such B Borrowing, the Borrower shall execute and deliver to the Administrative Agent a B Note payable to the order of each Lender participating in such Borrowing for each of the B Advances to be made by such Lender

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as part of such B Borrowing, in a principal amount equal to the principal amount of the B Advance to be evidenced thereby and otherwise on such terms as were agreed to for such B Advance in accordance with this Section 2.03. The indebtedness of the Borrower resulting from each B Advance made to the Borrower as part of a B Borrowing shall be evidenced by a separate B Note of the Borrower payable to the order of the Lender making such B Advance.

(c) Each B Borrowing shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, but no B Borrowing shall be made if, following the making of such B Borrowing, the Borrower would not be in compliance with the limitation set forth in the proviso to the first sentence of subsection (a) above.

(d) Within the limits and on the conditions set forth in this Section 2.03, the Borrower may from time to time borrow under this Section 2.03, repay pursuant to subsection (e) below, and reborrow under this Section 2.03, provided that a B Borrowing shall not be made within three Business Days of the date of any other B Borrowing.

(e) The Borrower shall repay to the Administrative Agent for the account of each Lender which has made a B Advance, or each other holder of a B Note, on the maturity date of each B Advance (such maturity date being that specified by the Borrower for repayment of such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above and provided in the B Note evidencing such B Advance), the then unpaid principal amount of such B Advance. The Borrower shall have no right to prepay any principal amount of any B Advance.

(f) The Borrower shall pay interest on the unpaid principal amount of each B Advance from the date of such B Advance to the date the principal amount of such B Advance is repaid in full, at the rate of interest for such B Advance specified by the Lender making such B Advance in its notice with respect thereto delivered pursuant to subsection (a)(ii) above, payable on the interest payment date or dates specified by the Borrower for such B Advance in the related Notice of B Borrowing delivered pursuant to subsection (a)(i) above, as provided in the B Note evidencing such B Advance.

#### SECTION 2.04. Certain Fees.

(a) Facility Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than the Designated Bidders) a facility fee (the "Facility Fee") on the average daily amount (whether used or unused) of such Lender's Commitment from the date on which the Borrower signs

this Agreement (in the case of each Bank) and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender (in the case of each such Lender) until the Termination Date at a rate per annum equal to the Applicable Facility Fee Rate as in effect from time to time. Accrued Facility Fee shall be paid on the last Business Day of each March, June, September and December and on the Termination Date.

(b) Utilization Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than the Designated Bidders) a utilization fee (the "Utilization Fee") on the aggregate outstanding principal amount of such Lender's Advances during any

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period that the aggregate outstanding principal amount of the Advances exceeds an amount equal to 50% of the aggregate amount of the Commitments, at a rate per annum equal to the Applicable Utilization Fee Rate. Accrued Utilization Fee shall be paid on each day on which a payment of interest is due under Section 2.07.

(c) Administrative Agent's Fee. The Borrower acknowledges its agreement to pay to the Administrative Agent, for the Administrative Agent's own account, an administrative agency fee at the times and in the amounts heretofore agreed between the Borrower and the Administrative Agent.

#### SECTION 2.05. Reduction and Extensions of the Commitments.

(a) Commitment Reductions. The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount which is less than the aggregate principal amount of the Advances then outstanding, and provided further that each partial reduction shall be in an aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof. Once reduced or terminated, the Commitments may not be reinstated.

(b) Commitment Extensions.

(i) The Borrower may, by notice to the Administrative Agent (which shall promptly notify the Lenders) not more than 45 days and not less than 30 days prior to each anniversary of the Effective Date (each such anniversary, an "Anniversary Date"), request that the Lenders (other than the Designated Bidders) extend the Commitment Termination Date for an additional one-year period from the Commitment Termination Date then in effect hereunder (the "Existing Commitment Termination Date"). Each such Lender, acting in its sole discretion, shall, by notice to the Borrower and the Administrative Agent given no later than the date (herein, the "Consent Date") that is 25 days prior to such Anniversary Date (or, if such date is not a Business Day, the next succeeding Business Day), advise the Borrower and the Administrative Agent whether or not such Lender agrees to such extension; provided that each Lender that determines not to so extend the Commitment Termination Date (a "Non-Extending Lender") shall notify the Administrative Agent (which shall notify the other Lenders) of such fact promptly after such determination (but in any event no later than the Consent Date) and any Lender that does not so advise the Borrower on or before the Consent Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree. If and only if each of the Lenders has advised the Borrower and the Administrative Agent of its agreement to extend the Commitment Termination Date as aforesaid on or prior to the Consent Date, then the Commitment Termination Date shall be extended automatically, without any other action by any Person, to the date that is one year after the Existing Commitment Termination Date. The Administrative Agent will promptly notify the Borrower and the Lenders of each extension of the Commitment Termination Date pursuant to this Section 2.05(b).

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SECTION 2.06. Repayment of A Advances. The Borrower hereby promises to pay to the Administrative Agent for account of each Lender the entire

outstanding principal amount of such Lender's A Advances, and each A Advance shall mature, on the Termination Date.

SECTION 2.07. Interest.

(a) Ordinary Interest. The Borrower shall pay interest on the unpaid principal amount of each A Advance made by each Lender, from the date of such A Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. If such A Advance is a Base Rate Advance, a rate per annum equal to the Base Rate in effect from time to time plus the Applicable Margin for Base Rate Advances as in effect from time to time, payable quarterly in arrears on the last Business Day of each March, June, September and December and on the date such Base Rate Advance shall be Converted or paid in full.

(ii) Eurodollar Rate Advances. If such A Advance is a Eurodollar Rate Advance, a rate per annum for each Interest Period for such A Advance equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Margin for Eurodollar Rate Advances as in effect from time to time, payable on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day which occurs three months after the first day of such Interest Period, and on the date such Eurodollar Rate Advance shall be Continued, Converted or paid in full.

(b) Default Interest. The Borrower shall pay interest on the unpaid principal amount of each A Advance and B Advance that is not paid when due (whether at stated maturity, by acceleration or otherwise), and on the unpaid amount of any interest, fee or other amount payable hereunder that is not paid when due, payable on demand, at a rate per annum during the period from the due date thereof to the date on which such amount is paid in full equal to:

(i) in the case of any amount of principal of such Advance:

(x) in the case of any Base Rate Advance, 2% plus the rate which would otherwise be applicable to such Advance, and

(y) in the case of any Eurodollar Rate Advance, for the balance of the then current Interest Period, 2% plus the rate which would otherwise be applicable to such Advance for such Interest Period and, thereafter, 2% plus the Base Rate as in effect from time to time, and

(ii) in the case of all other amounts, 2% plus the Base Rate as in effect from time to time.

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SECTION 2.08. Additional Interest on Eurodollar Rate Advances. The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board of Governors of the Federal Reserve System to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or the equivalent), additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Eurodollar Rate Advance until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the then-current Interest Period for such Eurodollar Rate Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Eurodollar Rate Advance. Any Lender wishing to require payment of such additional interest shall so notify the Borrower and the Administrative Agent and shall furnish to the Borrower at least five Business Days prior to each date on which interest is payable on the Eurodollar Rate Advances of such Lender a certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error) setting forth the basis for such assertion and the amount to which such Lender is then entitled under this Section (which shall be consistent with such Lender's good faith estimate of the level at which the related reserves are being maintained by it).

SECTION 2.09. Interest Rate Determinations; Changes in Rating Systems.

(a) Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining each Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Administrative Agent for the purpose of determining any such interest rate, the Administrative Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks (subject to clause

(c) below).

(b) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for the purpose of Section 2.07 and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under Section 2.07(a)(ii).

(c) If fewer than two Reference Banks furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Interest Period for any Eurodollar Rate Advances,

(i) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances for such Interest Period,

(ii) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(iii) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall

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notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(d) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and such Lenders that the circumstances causing such suspension no longer exist.

(e) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(f) On the date on which the aggregate unpaid principal amount of Eurodollar Rate Advances comprising any A Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such A Advances shall automatically Convert into Base Rate Advances.

(g) Upon the occurrence and during the continuance of any Event of Default and upon notice from the Administrative Agent to the Borrower at the request of the Majority Lenders, (x) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (y) the obligation of the Lenders to make or Continue, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

(h) If the rating system of either Moody's or Standard & Poor's shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Administrative Agent (on behalf of the Lenders) shall negotiate in good faith to amend the references to specific ratings in this Agreement to reflect such changed rating system or the non-availability of ratings from such rating agency (provided that any such amendment to such specific ratings shall in no event be effective without the approval of the Majority Lenders).

SECTION 2.10. Voluntary Conversion and Continuation of A Advances.

(a) Optional Conversion. The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.09 and 2.13, Convert all or any portion of the outstanding A Advances of one Type comprising part of the same A Borrowing into A Advances of the other Type; provided that (i) any Conversion of Base Rate Advances into Eurodollar Rate Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Conversion of a Eurodollar Rate Advance into a Base Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Conversion shall, within the restrictions specified above, specify (x) the date of such Conversion, (y) the A Advances to be Converted, and (z) if such Conversion is into Eurodollar Rate Advances, the duration of the initial Interest Period for each such A Advance. Each notice of Conversion shall be irrevocable and binding on the Borrower.

(b) Continuations. The Borrower may, on any Business Day, upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Continuation and subject to the provisions of Sections 2.09 and 2.13, Continue all or any portion of the outstanding Eurodollar Rate Advances comprising part of the same A Borrowing for one or more Interest Periods; provided that (i) Eurodollar Rate Advances so Continued and having the same Interest Period shall be in an amount not less than the minimum amount specified in Section 2.02(b) and (ii) in the case of any such Continuation on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c). Each such notice of a Continuation shall, within the restrictions specified above, specify (x) the date of such Continuation, (y) the Eurodollar Rate Advances to be Continued and (y) the duration of the initial Interest Period (or Interest Periods) for the Eurodollar Rate Advances subject to such Continuation. Each notice of Continuation shall be irrevocable and binding on the Borrower.

#### SECTION 2.11. Prepayments of A Advances.

(a) The Borrower shall have no right to prepay any principal amount of any A Advances other than as provided in subsection (b) below.

(b) The Borrower may, upon at least one Business Day's notice to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Advances comprising part of the same A Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than \$10,000,000 or integral multiples of \$1,000,000 in excess thereof and (y) in the case of any such prepayment of a Eurodollar Rate Advance on a day other than the last day of an Interest Period therefor, the Borrower shall reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

#### SECTION 2.12. Increased Costs.

(a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of (to the extent any such introduction or change occurs after the date hereof) any law or regulation or (ii) the compliance with any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances, the Borrower shall from time to time, within 30 days after delivery by such Lender to the Borrower (with a copy to the Administrative Agent) of a certificate as to the amount of (and specifying in reasonable detail the basis for) such increased cost, pay (subject to Section 2.12(c)) to the Administrative Agent for the account of such Lender the amount of the increased costs set forth in such certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error); provided that, before making any such demand, each Lender agrees to use reasonable efforts (consistent with



its internal policy and legal and regulatory restrictions) to designate a different Applicable Lending Office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(b) If any Lender (other than a Designated Bidder) determines that compliance with any law or regulation enacted or introduced after the date hereof or any guideline or request of any central bank or other governmental authority adopted or made after the date hereof (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, within 30 days after delivery by such Lender to the Borrower (with a copy to the Administrative Agent) of a certificate as to (and specifying in reasonable detail the basis for) the Additional Amounts (as hereinafter defined) requested by such Lender, the Borrower shall pay (subject to Section 2.12(c)) to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, the amount specified in such certificate (which certificate shall be conclusive and binding for all purposes, absent manifest error). For purposes hereof, the "Additional Amounts" that may be requested by any Lender under this Section 2.12(b) means such amounts as such Lender shall reasonably determine to be sufficient to compensate such Lender or any corporation controlling such Lender for any costs that such Lender reasonably determines are attributable to the maintenance by such Lender (or such corporation) of capital in respect of its commitments to lend hereunder (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or such corporation) to a level below that which such Lender (or such corporation) could have achieved but for the enactment or introduction of such law or regulation or the adoption or making of such guideline or request).

(c) The Borrower shall not be obligated to pay any additional amounts arising pursuant to clauses (a) and (b) of this Section 2.12 that are attributable to the Excluded Period

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with respect to such additional amount; provided, that if an applicable law, rule, regulation, guideline or request shall be adopted or made on any date and shall be applicable to the period (a "Retroactive Period") prior to the date on which such law, rule, regulation, guideline or request is adopted or made, the limitation on the Borrower's obligations to pay such additional amounts hereunder shall not apply to the additional amounts payable in respect of such Retroactive Period.

SECTION 2.13. Illegality. Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower through the Administrative Agent, (i) the obligation of the Lenders to make or Continue, or to Convert A Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist and (ii) the Borrower shall upon demand prepay in full all Eurodollar Rate Advances of all Lenders then outstanding, together with interest accrued thereon, unless the Borrower, within five Business Days of notice from the Administrative Agent, Converts all Eurodollar Rate Advances of all the Lenders then outstanding into Base Rate Advances in accordance with Section 2.10; provided that, before making any such demand, such Lender agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different Eurodollar Lending Office if the making of such a designation would allow such Lender or its Eurodollar Lending Office to continue to perform its obligations to make Eurodollar Rate Advances or to continue to fund or maintain Eurodollar Rate Advances and would not, in the judgment of such Lender, be otherwise disadvantageous to such Lender.

SECTION 2.14. Payments and Computations.

(a) The Borrower shall make each payment hereunder and under the Notes without set-off or counterclaim not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will

promptly thereafter cause to be distributed like funds relating to the payment of principal, interest or Facility Fees ratably (other than amounts payable pursuant to Section 2.03, 2.08, 2.12, or 2.15 or 8.04(c)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

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(b) All computations of interest based on Citibank's base rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or the Federal Funds Rate and of Facility Fees and Utilization Fees shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.08 shall be made by a Lender, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or Facility Fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder or under the Notes would be due on a day other than a Business Day, such due date shall be extended to the next succeeding Business Day, and any such extension of such due date shall in such case be included in the computation of payment of interest or Facility Fee, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

#### SECTION 2.15. Taxes.

(a) Any and all payments by the Borrower hereunder or under the Notes shall be made, in accordance with Section 2.14, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or the Administrative Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.15) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such

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deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes and Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.15) paid by such Lender or the Administrative Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Such Lender will use reasonable efforts to contest such a Tax or Other Tax that is, in its opinion, incorrectly asserted. This indemnification shall be made within 30 days from the date such Lender or the Administrative Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Administrative Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment hereunder or under the Notes, the Borrower will furnish to the Administrative Agent, at such address, if the Administrative Agent believes there is a question as to the applicability of any Taxes in the case of any payment hereunder and makes a request for such opinion, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Administrative Agent, in either case stating that such payment is exempt from or not subject to Taxes.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement (in the case of each Bank) and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender (in the case of each other Lender), and from time to time thereafter if requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form W-8ECI or W-8BEN, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.15(a).

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.15(e) (other than if such failure is due

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to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.15(a) with respect to Taxes imposed by the United States; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Any Lender claiming any additional amounts payable pursuant to this Section 2.15 shall use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office(s) if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender.

(h) If a Lender or the Administrative Agent (as the case may be) shall

become aware that it is entitled to claim a Refund (as hereinafter defined) from a taxing authority, such Lender or the Administrative Agent shall promptly notify the Borrower of the availability of such Refund and shall, within 30 days after receipt of a written request by the Borrower, make a claim to such taxing authority for such Refund at the Borrower's expense if, in the judgment of such Lender or the Administrative Agent (as the case may be), the making such claim will not be otherwise disadvantageous to it; provided that nothing in this Section 2.15(h) shall require any Lender or the Administrative Agent to institute any administrative, judicial or other proceeding (other than the filing of a claim for any such Refund) to obtain any such Refund. If a Lender or the Administrative Agent (as the case may be) receives a Refund from a taxing authority, it shall promptly pay to the Borrower the amount so received (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Taxes or Other Taxes giving rise to such Refund), net of all reasonable out-of-pocket expenses (including the net amount of taxes, if any, imposed on such Lender or the Administrative Agent with respect to such Refund) of such Lender or Administrative Agent, and without interest (other than interest paid by the relevant taxing authority with respect to such Refund); provided, however, that the Borrower, upon the request of such Lender or the Administrative Agent, shall repay the amount paid over to the Borrower (plus penalties, interest and other charges) to such Lender or the Administrative Agent in the event such Lender or the Administrative Agent is required to repay such Refund to such taxing authority. Nothing contained in this Section 2.15 shall require any Lender or the Administrative Agent to make available any of its tax returns (or any other information that it deems to be confidential or proprietary). For purposes of this Section 2.15(h), a "Refund" means a refund of Taxes or Other Taxes (other than any such refund in the form of a tax credit) for which a Lender or the Administrative Agent, as the case may be, has been indemnified by the Borrower (or with respect to which the Borrower has paid additional amounts) pursuant to this Section 2.15, provided that the entitlement to such refund arises solely from a manifest error in the amount of such Taxes or Other Taxes so paid.

SECTION 2.16. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the A Advances made by it (other than pursuant to Section 2.08, 2.12,

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2.15 or 8.04(c)) in excess of its ratable share of payments on account of the A Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the A Advances made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.16 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

### ARTICLE III CONDITIONS OF LENDING

SECTION 3.01. Condition Precedent to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the conditions precedent that the Borrower shall have notified the Administrative Agent of the proposed Effective Date and the Administrative Agent shall have received, on or prior to August 13, 2004, the following, each (unless otherwise specified below) dated the date of such effectiveness, in form and substance satisfactory to the Administrative Agent and (except for the Notes) in sufficient copies for each Lender (whereupon the Administrative Agent shall notify the Borrower and the Lenders that the Effective Date has occurred):

(a) The A Notes payable to the order of the Lenders, respectively.

(b) Certified copies of the resolutions of the Board of Directors of the Borrower approving, and authorizing the execution, delivery and performance of, this Agreement, the Notes and of all documents evidencing other necessary corporate actions and governmental approvals, if any, with respect to this Agreement and the Notes.

(c) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the Borrower's certificate of incorporation and by-laws and certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes.

(d) A certificate from the Secretary of State of New Jersey dated as of a date reasonably close to the date of such effectiveness as to the good standing of and charter documents filed by the Borrower.

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(e) A favorable opinion of Jeffrey S. Sherman, Esq., General Counsel of the Borrower, substantially in the form of Exhibit E hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(f) A favorable opinion of Shearman & Sterling LLP, special counsel for the Administrative Agent, substantially in the form of Exhibit F hereto.

(g) A certificate of a senior officer of the Borrower certifying that (i) no Default or Event of Default as of the date thereof has occurred and is continuing, and (ii) the representations and warranties contained in Section 4.01 are true and correct on and as of the date thereof as if made on and as of such date.

(h) Evidence that the Borrower has terminated the commitments of the lenders, and payment in full of all debt outstanding, under the \$450,000,000 364-Day Credit Agreement dated August 15, 2003 among the Borrower, the lenders parties thereto and Citibank, N.A., as administrative agent, and each of the Lenders that is a party to such credit agreement hereby waives, by execution of this Agreement, the requirement of prior notice under such credit agreement relating to the termination of commitments thereunder.

SECTION 3.02. Conditions Precedent to Each A Borrowing. The obligation of each Lender to make an A Advance on the occasion of each A Borrowing (including the initial A Borrowing) shall be subject to the further conditions precedent that on the date of such A Borrowing the following statements shall be true (and each of the giving of the applicable Notice of A Borrowing and the acceptance by the Borrower of the proceeds of such A Borrowing shall constitute a representation and warranty by the Borrower that on the date of such A Borrowing such statements are true):

(a) the representations and warranties contained in Section 4.01 (except for, in the case of any A Borrowing after the Effective Date, the representations and warranties set forth in Section 4.01(e)(iii) and Section 4.01(f)(i)) are true and correct on and as of the date of such A Borrowing, before and after giving effect to such A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(b) no event has occurred and is continuing, or would result from such A Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

SECTION 3.03. Conditions Precedent to Each B Borrowing. The obligation of each Lender which is to make a B Advance on the occasion of a B Borrowing (including the initial B Borrowing) to make such B Advance as part of such B Borrowing is subject to the conditions precedent that:

(a) the Administrative Agent shall have received the B Note payable to the order of such Lender evidencing such B Advance (to the extent that such B Note is required pursuant to Section 2.03(b) to be delivered prior to such B Borrowing), and

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(b) on the date of such B Borrowing the following statements shall be true (and each of the giving of the applicable Notice of B Borrowing and the acceptance by the Borrower of the proceeds of such B Borrowing shall constitute a representation and warranty by the Borrower that on the date of such B Borrowing such statements are true):

(i) the representations and warranties contained in Section 4.01 (except for, in the case of any B Borrowing after the Effective Date, the representations and warranties set forth in Section 4.01(e)(iii) and Section 4.01(f)(i)) are true and correct on and as of the date of such B Borrowing, before and after giving effect to such B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) no event has occurred and is continuing, or would result from such B Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

ARTICLE IV  
REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and is duly qualified and in good standing under the laws of the respective states in which its principal operating facilities are located.

(b) The execution, delivery and performance by the Borrower of this Agreement and the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) law or any material contractual restriction binding on the Borrower or, to the knowledge of the Borrower, any other contractual restriction binding on the Borrower.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes.

(d) This Agreement is, and the Notes when delivered hereunder will be, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

(e) (i) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at September 30, 2003, and the related statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, fairly present the consolidated financial condition of the Borrower and its Consolidated

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Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the fiscal year ended on such date, all in accordance with generally accepted accounting principles consistently applied.

(ii) The unaudited consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of March 31, 2004 and the related unaudited consolidated statements of income and cash flows for the six months then ended and set forth in the Borrower's Report on Form 10-Q for the quarter ended March 31, 2004, copies of which have been furnished to each Bank, fairly present, in conformity which generally accepted accounting principles applied on a basis consistent with the financial statements referred to in clause (i) of this paragraph (e), the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such six month period (subject to normal year-end adjustments).

(iii) Since September 30, 2003, there has been no material adverse change in the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, as shown on the consolidated balance sheet as of such date and the related consolidated statement of net income for the fiscal year then ended.

(f) There is no pending (or, to the Borrower's knowledge, threatened) action or proceeding against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, in which there is likely to be an adverse decision that (i) would have a material adverse effect on the business,

condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) purports to affect the legality, validity, binding effect or enforceability of this Agreement or any Note.

(g) No proceeds of any Advance will be used directly or indirectly for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

(h) The Borrower and its Subsidiaries have filed (or have obtained extensions of the time by which they are required to file) all United States Federal income tax returns and all other material tax returns required to be filed by them and have paid all taxes shown due on the returns so filed as well as all other material taxes, assessments and governmental charges which have become due, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided.

(i) Each Plan, and, to the knowledge of the Borrower, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law. Without limiting the foregoing, neither the Borrower nor any of its Subsidiaries has incurred any liability, other than premiums payable in the ordinary course of business, to the PBGC established under ERISA in connection with any Plan or Multiemployer Plan.

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(j) The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V  
COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Note shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower covenants and agrees that, unless the Majority Lenders shall otherwise consent in writing:

(a) Corporate Existence, Compliance with Laws, Etc. The Borrower will maintain its corporate existence and comply, and cause each Subsidiary to comply, with all applicable laws, statutes, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA and applicable Environmental Laws, except for any non-compliance which would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(b) Taxes, Charges, Etc. The Borrower will, and will cause each of its Subsidiaries to, pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges imposed upon it or any of its Subsidiaries and its and their properties, or any part thereof or upon the income or profits therefrom, as well as all claims for labor, materials or supplies which if unpaid might by law become a Lien or charge upon any property of the Borrower or any such Subsidiary, except such items as are being in good faith appropriately contested by the Borrower or any of its Subsidiaries and as to which appropriate reserves are being maintained and except for such items the non-payment of which would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(c) Performance of Material Obligations. The Borrower will, and will cause each of its Subsidiaries to, perform and observe each contractual, legal and other obligation binding upon the Borrower or such Subsidiary, as the case may be, except where the failure to do so would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(d) Books and Records; Inspection. The Borrower will, and will cause each of its Subsidiaries to, keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles applicable to the Borrower and to permit representatives of any Lender or the Administrative Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Lender or the Administrative Agent (as the case may be).

(e) Property. The Borrower will maintain, preserve and keep its own and will cause its Subsidiaries to keep their principal plants and properties and every part thereof in good repair, working order and condition and from time

to time make all needful and proper repairs, renewals, replacements, additions, betterments and improvements thereto so that at all times the efficiency thereof shall be fully preserved and maintained, except in each case when the failure

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to do so would not (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(f) Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain insurance with financially sound and reputable insurance companies, and with respect to property and risks of a character usually maintained by corporations engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such corporations.

(g) Reporting Requirements. The Borrower will furnish to the Lenders:

(i) as soon as available and in any event within 50 days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the chief financial officer of the Borrower;

(ii) as soon as available and in any event within 100 days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower and its Consolidated Subsidiaries, containing consolidated financial statements for such year certified in a manner acceptable to the Securities and Exchange Commission by Ernst & Young, L.L.P. or other independent public accountants acceptable to the Majority Lenders;

(iii) as soon as possible and in any event within five days after the occurrence of each Default and each Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default or Event of Default and the action which the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to its security holders generally, and copies of all reports and registration statements which the Borrower or any Subsidiary of the Borrower files with the Securities and Exchange Commission or any national securities exchange;

(v) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request; and

(vi) together with the financial statements delivered pursuant to clauses (i) and (ii) above, a certificate of the Chief Financial Officer, Treasurer or Assistant Treasurer of the Borrower, in form and substance satisfactory to the Administrative Agent, setting forth calculations demonstrating compliance with the covenant set forth in Section 5.01(i).

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Reports and financial statements required to be delivered by the Borrower pursuant to paragraphs (i), (ii) and (iv) of this Section 5.01(g) shall be deemed to have been delivered on the date on which it posts such reports, or reports containing such financial statements, on its website on the Internet at [www.bd.com](http://www.bd.com) or when such reports, or reports containing such financial statements are posted on the SEC's website at [www.sec.gov](http://www.sec.gov); provided that it shall deliver paper copies of the reports and financial statements referred to in paragraphs (i), (ii) and (iv) of this Section 5.01(g) to the Administrative Agent or any Lender who requests it to deliver such paper copies until written notice to cease delivering paper copies is given by the Administrative Agent or such



Lender; and provided further that in every instance it shall provide paper copies of the certificate required by subsection (vi) to the Agent and each of the Lenders until such time as the Agent shall provide it written notice otherwise.

(h) Use of Proceeds. The Borrower will use the proceeds of the Advances hereunder to support the Borrower's commercial paper program and for other general corporate purposes (in each case in compliance with all applicable legal and regulatory requirements); provided that neither the Administrative Agent nor any Lender shall have any responsibility as to the use of any such proceeds.

(i) Interest Coverage Ratio. The Borrower will maintain at all times an Interest Coverage Ratio of not less than 5 to 1.

SECTION 5.02. Negative Covenants. So long as any Note shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower covenants and agrees that, without the written consent of the Majority Lenders:

(a) Liens. The Borrower will not, and will not permit any of its Subsidiaries to, at any time create, assume or suffer to exist any Lien upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Debt of any Person, other than:

(i) Liens existing on assets of any Person at the time such Person becomes a Subsidiary of the Borrower and not created in contemplation of such event;

(ii) Liens on assets securing Debt of the Borrower or any Subsidiary of the Borrower incurred or assumed for the purpose of financing all or any part of the cost of acquiring such assets, provided that such Lien attaches to such assets concurrently with or within 90 days after the acquisition thereof;

(iii) Liens on assets of any Person existing at the time such Person is merged or consolidated with or into the Borrower or a Subsidiary of the Borrower and not created in contemplation of such event;

(iv) Liens existing on assets prior to the acquisition thereof by the Borrower or a Subsidiary of the Borrower and not created in contemplation of such acquisition;

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(v) Liens covering the land and building in Fukushima, Japan of Nippon Becton Dickinson KK (a wholly owned, indirect Subsidiary of the Borrower), securing debt of approximately (Y)90,000,000;

(vi) Liens arising out of the refinancing, extension, renewal or refunding of any Debt of the Borrower or any Subsidiary of the Borrower secured by any Lien permitted by any of the foregoing clauses of this Section 5.02(a), provided that such Debt is not increased and is not secured by any additional assets; and

(vii) additional Liens created after the date hereof, provided that the aggregate principal amount of Debt secured thereby and incurred on and after the date hereof shall not exceed \$50,000,000 in the aggregate at any one time outstanding.

(b) Mergers, Etc. The Borrower will not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets (whether now owned or hereafter acquired) of the Borrower and its Subsidiaries (taken as a whole) to any Person, except that the Borrower may merge or consolidate with or into any other Person so long as (x) immediately after giving effect to such transaction, no Default or Event of Default would exist and (y) the Borrower is the surviving corporation.

(c) Transactions with Affiliates. Except as expressly permitted by this Agreement, the Borrower will not, nor will it permit any of its Subsidiaries to, directly or indirectly, make any investment in an Affiliate, transfer, sell, lease, assign or otherwise dispose of any property to an Affiliate, merge into or consolidate with or purchase or acquire property from an Affiliate or enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate); provided that:

(i) any Affiliate who is an individual may serve as a director, officer or employee of the Borrower or any of its Subsidiaries and receive reasonable compensation for his or her services in such capacity;

(ii) the Borrower and its Subsidiaries may enter into transactions with Affiliates if the monetary or business consideration arising therefrom would be substantially as advantageous to the Borrower and its Subsidiaries as the monetary or business consideration that would obtain in a comparable transaction with a Person not an Affiliate; and

(iii) the foregoing provisions of this Section 5.02(c) shall not prohibit (x) the Borrower or any Subsidiary from declaring or paying any lawful dividend or other payment ratably in respect to all of its capital stock of the relevant class or (y) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliates.

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(d) Change in Nature of Business. The Borrower will not make any material change in the nature of the business of the Borrower and its Subsidiaries taken as a whole as carried on at the date hereof.

ARTICLE VI  
EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Advance or any fee or other amount payable hereunder or under the Notes when due and such failure remains unremedied for three Business Days; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(g)(iii), 5.01(i) or 5.02; or (ii) the Borrower shall fail to perform or observe any other term or covenant of this Agreement on its part to be performed or observed, and such failure remains unremedied for 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any other Debt of the Borrower or such Subsidiary which is outstanding in a principal amount of at least \$25,000,000 in the aggregate when the same becomes due and payable (whether at scheduled maturity, by required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(e) The Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or

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composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against the Borrower or any of its Subsidiaries, such proceeding shall remain undismissed or unstayed for a period of 60 days; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of \$25,000,000 shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order and such proceedings shall not have been stayed or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) A Change in Control shall occur; or

(h) The Borrower shall incur or in the opinion of the Majority Lenders shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) that, in the determination of the Majority Lenders, would (either individually or in the aggregate) materially adversely affect the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries (taken as a whole);

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, declare the Notes, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII  
THE ADMINISTRATIVE AGENT

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by

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the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Notes), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement or applicable law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Administrative Agent's Reliance, Etc.. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07;

(ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier or telegram) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. CUSA and Affiliates. With respect to its Commitment, the Advances made by it and the Notes issued to it, CUSA shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include CUSA in its individual capacity. CUSA and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its Subsidiaries and any Person who may do business with or own securities of the Borrower or any such Subsidiary, all as if CUSA were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and

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based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Notes then held by them (or if no Notes are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent under this Agreement, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. Without limiting the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent that, unless a Default or Event of Default shall have occurred and then be continuing, is reasonably acceptable to the Borrower. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank

organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

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ARTICLE VIII  
MISCELLANEOUS

SECTION 8.01. Amendments, Etc.. No amendment or waiver of any provision of this Agreement or the A Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders (other than the Designated Bidders), do any of the following: (a) waive any of the conditions specified in Section 3.01, (b) increase the Commitments of such Lenders (it being understood that amendments or waivers of conditions precedent, representations, covenants, Defaults or Events of Default shall not constitute an increase in the Commitment of any Lender) or subject such Lenders to any additional obligations, (c) reduce the principal of, or interest on, the A Notes or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the A Notes or any fees or other amounts payable hereunder, (e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the A Notes, or the number of Lenders, which shall be required for the Lenders or any of them to take any action hereunder or (f) amend this Section 8.01; provided further that no amendment, waiver or consent shall, unless in writing and signed by each Lender holding a B Note at such time, (1) reduce the principal of, or interest on, such B Note or any fees or other amounts payable hereunder or thereunder with respect thereto, (2) postpone any date fixed for any payment of principal of, or interest on, such B Note or any fees or other amounts payable hereunder or thereunder with respect thereto, or (3) subject such Lender to any additional obligations; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent under this Agreement or any Note. This Agreement and the Notes constitute the entire agreement of the parties with respect to the subject matter hereof and thereof.

SECTION 8.02. Notices, Etc.. (a) All notices and other communications provided for hereunder shall be (x) in writing (including telecopier or telegraphic communication) and mailed, telecopied, telegraphed or delivered or (y) as and to the extent set forth in Section 8.02(b) and in the proviso to this Section 8.02(a), if to the Borrower, at its address at Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Attention: Richard K. Berman - Vice President and Treasurer, telephone no. (201) 847-7260, telecopier number (201) 847-5227; if to any Lender (other than a Designated Bidder), at the Domestic Lending Office specified in the Administrative Questionnaire of such Lender; if to any Designated Bidder, at the Domestic Lending Office specified in the Designation Agreement pursuant to which it became a Lender; and if to the Administrative Agent, Citicorp USA, Inc., Two Penns Way, Suite 200, New Castle, DE 19720, Attention: Bank Loan Syndications, telephone no. (212) 994-0961, telecopier no. (302) 894-6120; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent, provided that

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materials required to be delivered pursuant to Section 5.01(g)(i), (ii) or (iv) may be delivered to the Administrative Agent as specified in Section 5.01. All

such notices and communications shall, when mailed, telecopied or telegraphed, be effective when deposited in the mails, telecopied or delivered to the telegraph company, respectively, except that notices and communications to the Administrative Agent pursuant to Article II or VII shall not be effective until received by the Administrative Agent.

(b) So long as CUSA or any of its Affiliates is the Administrative Agent, notwithstanding anything to the contrary herein, materials required to be delivered pursuant to Section 5.01(g) (i), (ii) and (iv) may be delivered to the Administrative Agent in an electronic medium in a format acceptable to the Administrative Agent and the Lenders by e-mail at oploanswebadmin@citigroup.com. The Borrower agrees that the Administrative Agent may make such materials, as well as any other written information, documents, instruments and other material required to be delivered by the Borrower to the Lenders under this Agreement (collectively, the "Communications") available to the Lenders by posting such Communications on Intralinks or a substantially similar electronic system (the "Platform"). The Borrower acknowledges that (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution, (ii) the Platform is provided "as is" and "as available" and (iii) neither the Administrative Agent nor any of its Affiliates warrants the accuracy, adequacy or completeness of the Communications or the Platform and each expressly disclaims liability for errors or omissions in the Communications or the Platform. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by the Administrative Agent or any of its Affiliates in connection with the Platform. The Administrative Agent and the Lenders agree that all Communications posted on the Platform shall, unless the Borrower otherwise agrees, be treated as confidential information and all Lenders given access to the Communications on the Platform will be required to confirm the confidential nature of the communications under the Platform's standard confidentiality procedures.

(c) Each Lender agrees that any notice to it (as provided in the next sentence) (a "Notice") specifying that any Communications have been posted to the Platform shall constitute effective delivery of such information, documents or other materials to such Lender for purposes of this Agreement; provided that if requested by any Lender the Administrative Agent shall deliver a copy of the Communications to such Lender by email or telecopier. Each Lender agrees (i) to notify the Administrative Agent in writing of such Lender's e-mail address to which a Notice may be sent by electronic transmission (including by electronic communication) on or before the date such Lender becomes a party to this Agreement (and from time to time thereafter to ensure that the Administrative Agent has on record an effective e-mail address for such Lender) and (ii) that any Notice may be sent to such e-mail address.

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SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

#### SECTION 8.04. Costs, Expenses and Indemnification.

(a) The Borrower agrees to pay and reimburse within 30 days after demand all costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay on demand all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of the Administrative Agent and each of the Lenders), incurred by the Administrative Agent or any Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder, including, without limitation, reasonable counsel fees and expenses in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower hereby indemnifies the Administrative Agent, Citigroup Global Markets Inc., each Lender and each of respective their Affiliates and their respective officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all

claims, damages, losses, liabilities and expenses (including, without limitation, fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement, the Notes or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Article III are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such claim, damage, loss, liability or expense results from such Indemnified Party's gross negligence or willful misconduct, or from a violation by such Indemnified Party of any law, order, regulation or agreement to which such Indemnified Party or its properties is subject, or from a breach of this Agreement.

The Borrower hereby further agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Borrower for or in connection with or relating to this Agreement, the Notes or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Advances or any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the transactions contemplated hereby, except to the extent such liability or damages are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful

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misconduct; provided that nothing in this paragraph shall be deemed to constitute a waiver of any claim the Borrower may have, or to exculpate any Person from any liability that such Person may have to the Borrower, for breach by such Person of its obligations under this Agreement.

(c) If any payment of principal of, or Conversion or Continuation of, any Eurodollar Rate Advance is made other than on the last day of an Interest Period for such Advance, as a result of acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason (other than a payment or Conversion pursuant to Section 2.13), the Borrower shall pay (subject to the last sentence of this Section 8.04(c)) to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment, Continuation or Conversion, including, without limitation, any loss (excluding loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. The Borrower shall pay amounts owing to any Lender pursuant to this Section 8.04(c) within 30 days after receipt from such Lender of a certificate setting forth in reasonable detail the calculation of the amount such Lender is entitled to claim under this Section 8.04(c) (which certificate shall be conclusive and binding for all purposes, absent manifest error).

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default under Section 6.01(a) or (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower (all such deposits and other indebtedness being herein called "Obligations") against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and any Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although the Obligations may be unmaturing. Each Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender or such Affiliate, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliate under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lender or such Affiliate may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective when (a) it shall have been executed by the Borrower and the Administrative

Agent and when the Administrative Agent shall have been notified by each Bank that such Bank has executed it and (b) the Effective Date shall have occurred, and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders. Upon the effectiveness of this Agreement, all commitments of the lenders under the Existing Credit Agreement shall terminate, the Lenders under this Agreement shall have the commitments herein

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stated, and each of the Lenders that is a party to the Existing Credit Agreement hereby waives, by execution of this Agreement, the requirement of prior notice under the Existing Credit Agreement relating to the termination of commitments thereunder.

#### SECTION 8.07. Assignments, Designations and Participations.

(a) Each Lender (other than a Designated Bidder) may, with notice to and the consent of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, such consents not to be unreasonably withheld (but not otherwise), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) no such consent by the Borrower or the Administrative Agent shall be required in the case of any assignment to an Affiliate of the assigning Lender, (ii) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations of the assigning Lender under this Agreement (other than any right to make B Advances, B Advances owing to it or B Notes), (iii) the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than \$5,000,000 and shall be an integral multiple of \$1,000,000 unless the Borrower and the Administrative Agent otherwise agree, (iv) each such assignment shall be to an Eligible Assignee, (v) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment, and (vi) the parties to each such assignment (other than the Borrower) shall deliver to the Administrative Agent a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this

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Agreement, together with copies of the financial statements referred to in



Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(c) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed (and the Borrower and the Administrative Agent shall have consented to the relevant assignment to the extent required pursuant to Section 8.07(a) and is in substantially the form of Exhibit C hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes (X) a new A Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder, a new A Note to the order of the assigning Lender in an amount equal to the Commitment retained by it hereunder and (Y) new B Note or Notes to the order of such Eligible Assignee in an amount equal to the principal amount of the B Advances (if any) acquired by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a portion of such B Advances, new B Note or Notes to the order of the assigning Lender in an amount equal to the principal amount of the B Advances retained by it hereunder). Such new A Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered A Note or Notes, and such new B Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered B Note or Notes. All such Notes shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A-1 or A-2 hereto, as applicable.

(d) Each Lender (other than the Designated Bidders) may designate one or more banks or other entities to have a right to make B Advances as a Lender pursuant to Section 2.03; provided, however, that (i) no such Lender shall be entitled to make more than two such designations, (ii) each such Lender making one or more of such designations shall retain the right to make B Advances as a Lender pursuant to Section 2.03, (iii) each such designation shall be to a Designated Bidder and (iv) the parties to each such designation shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, a Designation Agreement. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Designation Agreement, the designee thereunder shall be a party

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hereto with a right to make B Advances as a Lender pursuant to Section 2.03 and the obligations related thereto.

(e) By executing and delivering a Designation Agreement, the Lender making the designation thereunder and its designee thereunder confirm and agree with each other and the other parties hereto as follows: (i) such Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such designee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Designation Agreement; (iv) such designee will, independently and without reliance upon the Administrative Agent, such designating Lender or any other Lender and based on such documents and information as it shall deem appropriate

at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such designee confirms that it is a Designated Bidder; (vi) such designee appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such designee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(f) Upon its receipt of a Designation Agreement executed by a designating Lender and a designee representing that it is a Designated Bidder, the Administrative Agent shall, if such Designation Agreement has been completed and is substantially in the form of Exhibit D hereto, (i) accept such Designation Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(g) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance and each Designation Agreement delivered to and accepted by it and a register for the recordation of the names and addresses of each of the Lenders and, with respect to Lenders other than Designated Bidders, the Commitment of, and principal amount of the Advances owing to, each such Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for the purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for the purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(h) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without

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limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes held by it); provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and (v) no participant under any such participation agreement shall have any right to approve any amendment or waiver of any provision of this Agreement or any Note, or to consent to any departure by the Borrower therefrom, except to the extent that any such amendment, waiver or consent would (x) reduce the principal of, or interest on, the Notes or any fee or other amounts payable hereunder, in each case to the extent the same are subject to such participation, or (y) postpone any date fixed for the payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent the same are subject to such participation.

(i) Any Lender may, in connection with any assignment, designation or participation or proposed assignment, designation or participation pursuant to this Section 8.07, disclose to the assignee, designee or participant or proposed assignee, designee or participant, any information relating to the Borrower or any of its Subsidiaries furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee, designee or participant or proposed assignee, designee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower or any such Subsidiary received by it from such Lender on the terms set forth in Section 8.13.

(j) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

(k) All amounts payable by the Company to any Lender under Sections 2.08, 2.12, 2.15 and 8.04(c) in respect of Advances held by such Lender, and such Lender's Commitment, shall be determined as if such Lender had not sold or agreed to sell any participations in such Advances or Commitment and as if such Lender were funding each of such Advances and Commitments in the same way that

it is funding the portion of such Advances and Commitment in which no participations have been sold. No assignee or other transferee of any Lender's rights shall be entitled to receive any greater payment under Section 2.12 than such Lender would have been entitled to receive with respect to the rights transferred, unless such transfer is made (i) with the Borrower's prior written consent, (ii) by reason of the provisions of said Section 2.12 requiring such Lender to designate a different Applicable Lending Office as provided in said Section 2.12 or (iii) at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 8.08. Governing Law; Submission to Jurisdiction. This Agreement and the Notes shall be governed by, and construed in accordance with, the law of the State of

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New York. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York City for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

SECTION 8.09. Severability. In case any provision in this Agreement or in any Note shall be held to be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Agreement or such Note, as the case may be, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 8.11. Survival. The obligations of the Borrower under Sections 2.08, 2.12, 2.15 and 8.04, and the obligations of the Lenders under Section 7.05, shall survive the repayment of the Advances and the termination of the Commitments. In addition, each representation and warranty made, or deemed to be made by any Notice of A Borrowing or Notice of B Borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and no Lender shall be deemed to have waived, by reason of making any Advance, any Default or Event of Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that such Lender or the Administrative Agent may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such extension of credit was made.

SECTION 8.12. Substitution of Lender. If (a) the obligation of any Lender to make, Continue or otherwise maintain Eurodollar Rate Advances has been suspended pursuant to Section 2.13, (b) any Lender has demanded compensation under Section 2.12 or 2.15, (c) any Lender shall fail to consent to an amendment or a waiver which pursuant to the terms of Section 8.01 requires the consent of all Lenders and with respect to which the Majority Lenders shall have granted their consent or (d) any Lender defaults in its obligations to fund Advances hereunder, the Borrower shall have the right, if no Default or Event of Default then exists, to replace such Lender (the "Replaced Lender") with one or more Eligible Assignee(s), (each, a "Replacement Lender") acceptable to the Administrative Agent, provided that:

- (i) at the time of any replacement pursuant to this Section 8.12, the Replacement Lenders shall enter into one or more Assignment and Acceptance Agreements, pursuant to which such Replacement Lenders shall acquire the Commitments and outstanding Advances of the Replaced Lender and, in connection therewith, shall pay to the Replaced Lender in respect thereof an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Advances of the Replaced Lender, (B) an amount equal to all accrued and unpaid Facility Fees owing to the

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Replaced Lender and (C) an amount equal to the amount which would be payable by the Borrower to the Replaced Lender pursuant to Section 8.04(c) if the Borrower prepaid at the time of such replacement all of the Advances of such Replaced Lender outstanding at such time; and

(ii) all obligations of the Borrower owing to the Replaced Lender (other than those specifically described in clause (i) above in respect of which the assignment purchase price has been, or is concurrently being, paid) shall be paid in full to such Replaced Lender concurrently with such replacement.

Upon (I) the execution of the respective Assignment and Acceptance Agreements, (II) the payment of amounts referred to in clauses (i) and (ii) above and (III) if so requested by a Replacement Lender, delivery to such Replacement Lender of the appropriate Note or Notes executed by the Borrower, each Replacement Lender shall become a Lender hereunder and the Replaced Lender shall cease to constitute a Lender hereunder.

SECTION 8.13. Confidentiality. Each Lender agrees to hold all non-public information obtained pursuant to the provisions of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and sound banking practices, provided that nothing herein shall prevent any Lender from disclosing such information (i) to any other Lender or to the Administrative Agent (or to Citigroup Global Markets Inc.), (ii) upon the order of any court or administrative agency or otherwise to the extent required by statute, rule, regulation or judicial process, (iii) to bank examiners or upon the request or demand of any other regulatory agency or authority, (iv) which had been publicly disclosed other than as a result of a disclosure by the Administrative Agent or any Lender prohibited by this Agreement, (v) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent is a party, or in connection with the exercise of any remedy hereunder or under any Note, (vi) to such Lender's or Administrative Agent's legal counsel and independent auditors and accountants and (vii) subject to provisions substantially similar to those contained in this Section, to (A) any actual or proposed participant or assignee or (B) any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction relating to the Borrower, and its Subsidiaries, and the obligations of the Borrower under this Agreement to the extent they relate to such securitization, swap or derivative transaction.

SECTION 8.14. No Fiduciary Relationship. The Borrower acknowledges that neither the Administrative Agent nor any Lender (in their respective capacities as such) has any fiduciary relationship with, or fiduciary duty to, the Borrower arising out of or in connection with this Agreement or any of the Notes, and the relationship between the Administrative Agent and the Lenders (in such capacities), on the one hand, and the Borrower, on the other, in connection herewith or therewith is solely that of creditor and debtor. This Agreement does not create a joint venture among the parties.

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SECTION 8.15. Patriot Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent, as applicable, to identify the Borrower in accordance with the Act.

SECTION 8.16. Waiver of Jury Trial. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BECTON, DICKINSON AND COMPANY

By \_\_\_\_\_

Name:  
Title:

CITICORP USA, INC.,  
as Administrative Agent

By \_\_\_\_\_  
Name:  
Title:

Administrative Agent

\$95,000,000

CITICORP USA, INC.

By \_\_\_\_\_  
Name:  
Title:

Syndication Agent

\$95,000,000

BANK OF TOKYO-MITSUBISHI TRUST COMPANY

By \_\_\_\_\_  
Name:  
Title:

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Commitment  
- \_\_\_\_\_

Lenders  
\_\_\_\_\_

\$60,000,000

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By \_\_\_\_\_  
Name:  
Title:

\$60,000,000

MELLON BANK, N.A.

By \_\_\_\_\_  
Name:  
Title:

\$60,000,000

MIZUHO CORPORATE BANK, LTD.

By \_\_\_\_\_  
Name:  
Title:

\$60,000,000

SUMITOMO MITSUI BANKING CORPORATION

By \_\_\_\_\_  
Name:  
Title:

\$60,000,000

THE BANK OF NEW YORK

By \_\_\_\_\_  
Name:  
Title:

\$45,000,000

BANK OF AMERICA, N.A.

By \_\_\_\_\_  
Name:  
Title:

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Commitment  
- - - - -

Lenders  
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\$45,000,000

BNP PARIBAS

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

\$45,000,000

ING CAPITAL LLC

By \_\_\_\_\_  
Name:  
Title:

\$45,000,000

JPMORGAN CHASE BANK

By \_\_\_\_\_  
Name:  
Title:

\$45,000,000

STANDARD CHARTERED BANK

By \_\_\_\_\_  
Name:  
Title:

\$45,000,000

UFJ BANK LIMITED

By \_\_\_\_\_  
Name:  
Title:

\$35,000,000

BANCA DI ROMA, NEW YORK BRANCH

By \_\_\_\_\_  
Name:  
Title:

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Commitment  
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Lenders  
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\$35,000,000

BANK OF IRELAND

By \_\_\_\_\_

Name:  
Title:

\$35,000,000

THE NORTHERN TRUST COMPANY

By \_\_\_\_\_

Name:  
Title:

\$35,000,000

INTESABCI NEW YORK BRANCH

By \_\_\_\_\_

Name:  
Title:

\$900,000,000.00

Total of the Commitments

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EXHIBIT A-1

FORM OF A NOTE

U.S.\$ \_\_\_\_\_

Dated: August \_\_, 2004

FOR VALUE RECEIVED, the undersigned, BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of \_\_\_\_\_ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below) on the Termination Date (as so defined) the principal sum of U.S.\$[amount of the Lender's Commitment in figures] or, if less, the aggregate principal amount of the A Advances (as defined below) made by the Lender to the Borrower pursuant to the Credit Agreement then outstanding.

The Borrower promises to pay interest on the unpaid principal amount of each A Advance from the date of such A Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable in lawful money of the United States of America to Citicorp USA, Inc., as Administrative Agent, at Two Penns Way, Suite 200, New Castle, DE 19720, in same day funds. Each A Advance made by the Lender to the Borrower pursuant to the Credit Agreement, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note; provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This Promissory Note is one of the A Notes referred to in, and is entitled to the benefits of, the Amended and Restated Five Year Credit Agreement dated as of August \_\_, 2004 (the "Credit Agreement") among the Borrower, the Lender and certain other banks parties thereto, Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lender and such other banks. The Credit Agreement, among other things, (i) provides for the making of advances (the "A Advances") by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the U.S. dollar amount first above mentioned, the indebtedness of the Borrower resulting from each such A Advance being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.





FORM OF B NOTE

U.S.\$ \_\_\_\_\_ Dated: \_\_\_\_\_, \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned, BECTON, DICKINSON AND COMPANY, a New Jersey corporation (the "Borrower"), HEREBY PROMISES TO PAY to the order of \_\_\_\_\_ (the "Lender") for the account of its Applicable Lending Office (as defined in the Credit Agreement referred to below), on \_\_\_\_\_, \_\_\_\_\_, the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

The Borrower promises to pay interest on the unpaid principal amount hereof from the date hereof until such principal amount is paid in full, at the interest rate and payable on the interest payment date or dates provided below:

Interest Rate: \_\_\_\_\_% per annum (calculated on the basis of a year of \_\_\_\_\_ days for the actual number of days elapsed).

Interest Payment Date or Dates: \_\_\_\_\_

Both principal and interest are payable in lawful money of the United States of America to \_\_\_\_\_ or the account of the Lender at the office of \_\_\_\_\_, at \_\_\_\_\_, in same day funds.

This Promissory Note is one of the B Notes referred to in, and is entitled to the benefits of, the Amended and Restated Five Year Credit Agreement dated as of August 13, 2004 (the "Credit Agreement") among the Borrower, the Lender and certain other banks parties thereto, Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lender and such other banks. The Credit Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the law of the State of New York, United States.

BECTON, DICKINSON AND COMPANY

By \_\_\_\_\_  
Name:  
Title:

NOTICE OF A BORROWING

Citicorp USA, Inc., as Administrative Agent for the Lenders parties to the Credit Agreement referred to below  
Two Penns Way, Suite 200  
New Castle, DE 19720

Attention: \_\_\_\_\_

[Date]

Ladies and Gentlemen:

The undersigned, Becton, Dickinson and Company, refers to the Amended and Restated Five Year Credit Agreement, dated as of August 13, 2004 (the

"Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests an A Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such A Borrowing (the "Proposed A Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed A Borrowing is \_\_\_\_\_, \_\_\_\_\_.

(ii) The Type of A Advances comprising the Proposed A Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed A Borrowing is \$\_\_\_\_\_.

[(iv) The initial Interest Period for each A Advance made as part of the Proposed A Borrowing is \_\_\_\_\_ month[s]](1).

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed A Borrowing:

(A) the representations and warranties contained in Section 4.01 (other than Section 4.01(e)(iii) and Section 4.01(f)(i)) are correct, before and after giving effect to the

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(1) For Eurodollar Rate Advances only.

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Proposed A Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed A Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default.

Very truly yours,

BECTON, DICKINSON AND COMPANY

By \_\_\_\_\_  
Name:  
Title:

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EXHIBIT B-2

NOTICE OF B BORROWING

Citicorp USA, Inc., as Administrative Agent for the Lenders parties to the Credit Agreement referred to below  
Two Penns Way, Suite 200  
New Castle, DE 19720

Attention: \_\_\_\_\_

[Date]

Ladies and Gentlemen:

The undersigned, Becton, Dickinson and Company, refers to the Amended and Restated Five Year Credit Agreement, dated as of August 13, 2004 (the "Credit Agreement", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders parties thereto, Bank of

Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for said Lenders, and hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that the undersigned hereby requests a B Borrowing under the Credit Agreement, and in that connection sets forth the terms on which such B Borrowing (the "Proposed B Borrowing") is requested to be made:

- (A) Date of B Borrowing \_\_\_\_\_
- (B) Amount of B Borrowing \_\_\_\_\_
- (C) Maturity Date \_\_\_\_\_
- (D) Interest Rate Basis \_\_\_\_\_
- (E) Interest Payment Date(s) \_\_\_\_\_
- (F) \_\_\_\_\_
- (G) \_\_\_\_\_
- (H) \_\_\_\_\_

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed B Borrowing:

(a) the representations and warranties contained in Section 4.01 (other than Section 4.01(e)(iii) and Section 4.01(f)(i)) are correct, before and after giving effect to the Proposed B Borrowing and to the application of the proceeds therefrom, as though made on and as of such date;

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(b) no event has occurred and is continuing, or would result from the Proposed B Borrowing or from the application of the proceeds therefrom, which constitutes a Default or an Event of Default; and

(c) the aggregate amount of the Proposed B Borrowing and all other Borrowings to be made on the same day under the Credit Agreement is within the aggregate amount of the unused Commitments of the Lenders.

The undersigned hereby confirms that the Proposed B Borrowing is to be made available to it in accordance with Section 2.03(a)(v) of the Credit Agreement.

Very truly yours,

BECTON, DICKINSON AND COMPANY

By \_\_\_\_\_  
Name:  
Title:

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EXHIBIT C

ASSIGNMENT AND ACCEPTANCE

Dated \_\_\_\_\_, \_\_\_\_\_

Reference is made to the Amended and Restated Five Year Credit Agreement dated as of August 13, 2004 (the "Credit Agreement") among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement), Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

\_\_\_\_\_ (the "Assignor") and \_\_\_\_\_ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof [(other than in respect of B Advances and B Notes)] (2) which

represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement [(other than in respect of B Advances and B Notes)](1), including, without limitation, such interest in the Assignor's Commitment, the A Advances and B Advances owing to the Assignor, and the A Note[s] and B Note[s] held by the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment and the amount of the A Advances and B Advances owing to the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the A Note[s] and B Note[s] referred to in paragraph 1 above and requests that the Administrative Agent exchange such Note[s] for (X) a new A Note to the order of the Assignee in an amount equal to the Commitment assumed by it pursuant hereto and a new A Note to the order of the Assignor in an amount equal to the Commitment retained by it under the Credit Agreement and (Y) new B Note or Notes to the order of the Assignee in an amount equal to the principal amount of the B Advances (if any) acquired by it pursuant hereto and, if the Assignor has retained a portion of such B Advances, new B Note or Notes to the order of the

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(2) Delete bracketed text if B Advances are covered by this Assignment and Acceptance.

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Assignor in an amount equal to the principal amount of the B Advances retained by it under the Credit Agreement, in each case specified on Schedule 1 hereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement and the Notes or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].(3)

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee and the consent of the Borrower (to the extent required pursuant to Section 8.07 of the Credit Agreement), it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto (the "Effective Date").

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and Facility Fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under

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(3) If the Assignee is organized under the laws of a jurisdiction outside the United States

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the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

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SCHEDULE 1  
to  
ASSIGNMENT AND ACCEPTANCE

Percentage assigned to Assignee	_____ %
Assignee's Commitment	\$ _____
Aggregate outstanding principal amount of A Advances assigned	\$ _____
Principal Amount of A Note payable to Assignee	\$ _____
Principal Amount of A Note payable to Assignor	\$ _____
Aggregate outstanding principal amount of B Advances assigned	\$ _____
Principal Amount of B Note payable to Assignee	\$ _____
Principal Amount of B Note payable to Assignor	\$ _____
Effective Date (if other than date of acceptance by Administrative Agent)*	_____ , _____

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[NAME OF ASSIGNOR], as Assignor

By \_\_\_\_\_  
Name:  
Title:

[NAME OF ASSIGNEE], as Assignee

By \_\_\_\_\_

Name:  
Title:

Domestic Lending Office:

Eurodollar Lending Office:

\* This date should be no earlier than the date of acceptance by the Administrative Agent.

Accepted this \_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_

CITICORP USA, INC., as  
Administrative Agent

By \_\_\_\_\_

Name:  
Title:

CONSENTED TO:

BECTON, DICKINSON AND COMPANY

By \_\_\_\_\_

Name:  
Title:

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EXHIBIT D

DESIGNATION AGREEMENT

Dated \_\_\_\_\_, \_\_\_\_\_

Reference is made to the Amended and Restated Five Year Credit Agreement dated as of August 13, 2004 (the "Credit Agreement") among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), the Lenders (as defined in the Credit Agreement), Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent for the Lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

\_\_\_\_\_ (the "Designator") and \_\_\_\_\_ (the "Designee") agree as follows:

1. The Designator hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make B Advances pursuant to Section 2.03 of the Credit Agreement.

2. The Designator makes no representation or warranty and assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto and (ii) the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Designee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Designator or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action

under the Credit Agreement; (iii) confirms that it is a Designated Bidder; (iv) appoints and authorizes the Administrative Agent to take such action as administrative agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) specifies as its Applicable Lending Office with respect to B Advances (and address for notices) the offices set forth beneath its name on the signature pages hereof.

4. Following the execution of this Designation Agreement by the Designator and its Designee, it will be delivered to the Administrative Agent for acceptance and recording by the

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Administrative Agent. The effective date of this Designation Agreement shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on the signature page hereto (the "Effective Date").

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, the Designee shall be a party to the Credit Agreement with a right to make B Advances as a Lender pursuant to Section 2.03 of the Credit Agreement and the rights and obligations of a Lender related thereto.

6. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Designation Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Effective Date\*: \_\_\_\_\_, \_\_\_\_\_

[NAME OF DESIGNATOR]

By \_\_\_\_\_  
Name:  
Title:

[NAME OF DESIGNEE]

By \_\_\_\_\_  
Name:  
Title:

Applicable Lending  
Office (and address  
for notices)

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Accepted this \_\_\_\_ day  
of \_\_\_\_\_, \_\_\_\_\_

CITICORP USA, INC., as

By \_\_\_\_\_  
Name:  
Title:

\* This date should be no earlier than the date of acceptance by the Administrative Agent.

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EXHIBIT E

[Form of Opinion of Counsel of the Borrower]

August , 2004

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To the Banks party to the  
Credit Agreement referred to  
below

Bank of Tokyo-Mitsubishi Trust Company, as Syndication Agent  
Citicorp USA, Inc., as Administrative Agent  
399 Park Avenue  
New York, New York 10043

Ladies and Gentlemen:

I am General Counsel of Becton, Dickinson and Company (the "Borrower") and with attorneys in my department have acted as counsel to the Borrower in connection with the Amended and Restated Five Year Credit Agreement (the "Credit Agreement") dated as of August 13, 2004, among the Borrower, the lenders named therein, Bank of Tokyo-Mitsubishi Trust Company, as syndication agent, and Citicorp USA, Inc., as Administrative Agent, providing for loans to be made by said lenders to the Borrower in an aggregate principal amount not exceeding \$900,000,000. Terms defined in the Credit Agreement are used in this opinion letter as defined therein. This opinion letter is being delivered pursuant to Section 3.01(e) of the Credit Agreement.

In rendering the opinion expressed below, I, or attorneys under my supervision, have examined the following agreements, instruments and other documents:

- (a) the Credit Agreement;
- (b) the Notes issued on the date hereof (collectively with the Credit Agreement, the "Credit Documents"); and
- (c) such corporate records of the Borrower and such other documents as I have deemed necessary as a basis for the opinions expressed below.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with authentic original documents of all documents submitted to us as copies. When relevant facts were not independently established, we have relied upon certificates of governmental officials and appropriate representatives of the Borrower and upon representations made in or pursuant to the Credit Agreement.

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In rendering the opinions expressed below, I have assumed, with respect to all of the documents referred to in this opinion letter, that (except, to the extent set forth in the opinions expressed below, as to the Borrower):

- (i) such documents have been duly authorized by, have been duly executed and delivered by, and constitute legal, valid, binding and enforceable obligations of, all of the parties to such documents;
- (ii) all signatories to such documents have been duly authorized; and



(iii) all of the parties to such documents are duly organized and validly existing and have the power and authority (corporate or other) to execute, deliver and perform such documents.

Based upon and subject to the foregoing and subject also to the comments and qualifications set forth below, and having considered such questions of law as I have deemed necessary as a basis for the opinions expressed below, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New Jersey.

2. The Borrower has all requisite corporate power to execute and deliver, and to perform its obligations and to incur liabilities under, the Credit Documents.

3. The execution, delivery and performance by the Borrower of, and the incurrence by the Borrower of liabilities under, each Credit Document have been duly authorized by all necessary corporate action on the part of the Borrower.

4. Each Credit Document has been duly executed and delivered by the Borrower.

5. Each Credit Document constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other similar laws relating to or affecting the rights of creditors generally and except as the enforceability of the Credit Documents is subject to the application of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, (a) the possible unavailability of specific performance, injunctive relief or any other equitable remedy and (b) concepts of materiality, reasonableness, good faith and fair dealing.

6. No authorization, approval or consent of, and no filing or registration with, any governmental or regulatory authority or agency of the United States of America or the State of New York is required on the part of the Borrower for the execution, delivery or performance by the Borrower of, or for the incurrence by the Borrower of any liabilities under, any of the Credit Documents.

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7. The execution, delivery and performance by the Borrower of, and the consummation by the Borrower of the transactions contemplated by, the Credit Documents do not (a) violate any provision of the charter or by-laws of the Borrower, (b) violate any applicable law, rule or regulation of the United States of America, the State of New Jersey or the State of New York, (c) violate any order, writ, injunction or decree of any court or governmental authority or agency or any arbitral award applicable to the Borrower and its Subsidiaries of which I have knowledge or (d) result in a breach of, constitute a default under, require any consent under, or result in the acceleration or required prepayment of any indebtedness pursuant to the terms of, any agreement or instrument of which I have knowledge to which the Borrower and its Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or result in the creation or imposition of any Lien upon any Property of the Borrower pursuant to the terms of any such agreement or instrument.

8. There is no pending (or, to my knowledge, threatened) action or proceeding against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, in which there is likely to be an adverse decision that (i) would have a material adverse effect on the business, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) purports to affect the legality, validity, binding effect or enforceability of the Credit Agreement or any Note.

The foregoing opinions are subject to the following comments and qualifications:

(A) The enforceability of Section 8.04(b) of the Credit Agreement may be limited by laws limiting the enforceability of provisions exculpating or exempting a party from, or requiring indemnification of a party for, its own action or inaction.

(B) The enforceability of provisions in the Credit Documents to the effect that terms may not be waived or modified except in writing may be limited under certain circumstances.

(C) I express no opinion as to (i) the effect of the laws of any jurisdiction in which any Lender is located that limit the interest, fees or other charges such Lender may impose, (ii) Section 8.05 of the Credit Agreement, (iii) Section 7.05 of the Credit Agreement, (iv) the second sentence of Section 8.08 of the Credit Agreement, insofar as such sentence relates to the subject matter jurisdiction of the United States District Court for the Southern District of New York to adjudicate any controversy related to the Credit Documents, (v) the third sentence of Section 8.08 of the Credit Agreement and (vi) Section 8.09 of the Credit Agreement.

The foregoing opinions are limited to matters involving the Federal laws of the United States, the law of the State of New Jersey and the law of the State of New York, and I do not express any opinion as to the laws of any other jurisdiction.

In delivering the foregoing opinion, I have, with your approval, relied as to all matters governed by the laws of the State of New Jersey upon the opinion of even date herewith

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of Gary DeFazio, Esq., Associate General Counsel of the Borrower, a copy of which has been furnished to you. In my opinion, such opinion is satisfactory in form and scope and you are justified in relying thereon.

At the request of the Borrower, this opinion letter is, pursuant to Section 3.01(e) of the Credit Agreement, provided to you by me in my capacity as General Counsel of the Borrower and may not be relied upon by any Person for any purpose other than in connection with the transactions contemplated by the Credit Agreement without, in each instance, my prior written consent.

Very truly yours,

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EXHIBIT F

[Form of Opinion of Special New York Counsel  
to the Administrative Agent]

August , 2004

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To the Initial Lenders party to the  
Credit Agreement referred to  
below and to Citicorp USA, Inc.,  
as Agent

Becton, Dickinson and Company

Ladies and Gentlemen:

We have acted as counsel to Citicorp USA, Inc., as Administrative Agent (the "Agent"), in connection with the Amended and Restated Five Year Credit Agreement, dated as of August 13, 2004 (the "Credit Agreement"), among Becton, Dickinson and Company, a New Jersey corporation (the "Borrower"), and each of you. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have reviewed originals or copies of the following documents:

- (a) The Credit Agreement.
- (b) The Notes executed by the Borrower and delivered on the date hereof.

The documents described in the foregoing clauses (a) and (b) are collectively referred to herein as the "Opinion Documents."

We have also reviewed originals or copies of such other agreements and documents as we have deemed necessary as a basis for the opinion expressed below.

In our review of the Opinion Documents and other documents, we have assumed:

- (A) The genuineness of all signatures.
- (B) The authenticity of the originals of the documents submitted to us.
- (C) The conformity to authentic originals of any documents submitted to us as copies.
- (D) As to matters of fact, the truthfulness of the representations made in the Credit Agreement.

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(E) That each of the Opinion Documents is the legal, valid and binding obligation of each party thereto, other than the Borrower, enforceable against each such party in accordance with its terms.

(F) That:

(1) The Borrower is an entity duly organized and validly existing under the laws of the jurisdiction of its organization.

(2) The Borrower has full power to execute, deliver and perform, and has duly executed and delivered, the Opinion Documents.

(3) The execution, delivery and performance by the Borrower of the Opinion Documents have been duly authorized by all necessary action (corporate or otherwise) and do not:

(a) contravene its certificate or articles of incorporation, by-laws or other organizational documents;

(b) except with respect to Generally Applicable Law, violate any law, rule or regulation applicable to it; or

(c) result in any conflict with or breach of any agreement or document binding on it of which any addressee hereof has knowledge, has received notice or has reason to know.

(4) Except with respect to Generally Applicable Law, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or (to the extent the same is required under any agreement or document binding on it of which an addressee hereof has knowledge, has received notice or has reason to know) any other third party is required for the due execution, delivery or performance by the Borrower of any Opinion Document or, if any such authorization, approval, action, notice or filing is required, it has been duly obtained, taken, given or made and is in full force and effect.

We have not independently established the validity of the foregoing assumptions.

"Generally Applicable Law" means the federal law of the United States of America, and the law of the State of New York (including the rules or regulations promulgated thereunder or pursuant thereto), that a New York lawyer exercising customary professional diligence would reasonably be expected to recognize as being applicable to the Borrower, the Opinion Documents or the transactions governed by the Opinion Documents. Without limiting the generality of the foregoing definition of Generally Applicable Law, the term "Generally Applicable Law" does not include any law, rule or regulation that is applicable to the Borrower, the Opinion Documents or such transactions solely because such law, rule or regulation is part of a regulatory regime applicable to the specific assets or business of any party to any of the Opinion Documents or any of its affiliates.

Based upon the foregoing and upon such other investigation as we have deemed necessary and subject to the qualifications set forth below, we are of the opinion that each Opinion Document is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

Our opinion expressed above is subject to the following qualifications:

(a) Our opinion is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally (including without limitation all laws relating to fraudulent transfers).

(b) Our opinion is subject to the effect of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(c) We express no opinion with respect to the enforceability of indemnification provisions, or of release or exculpation provisions, contained in the Opinion Documents to the extent that enforcement thereof is contrary to public policy regarding the indemnification against or release or exculpation of criminal violations, intentional harm or violations of securities laws.

(d) Our opinion is limited to Generally Applicable Law.

A copy of this opinion letter may be delivered by any of you to any person that becomes a Lender in accordance with the provisions of the Credit Agreement. Any such person may rely on the opinions expressed above as if this opinion letter were addressed and delivered to such person on the date hereof.

This opinion letter is rendered to you in connection with the transactions contemplated by the Opinion Documents. This opinion letter may not be relied upon by you or any person entitled to rely on this opinion pursuant to the preceding paragraph for any other purpose without our prior written consent.

This opinion letter speaks only as of the date hereof. We expressly disclaim any responsibility to advise you of any development or circumstance of any kind, including any change of law or fact, that may occur after the date of this opinion letter that might affect the opinions expressed herein.

Very truly yours,

CERTIFICATIONS

I, Edward J. Ludwig, 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)) 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]
  - (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 13, 2004

/s/ Edward J. Ludwig  
-----  
Edward J. Ludwig  
Chairman, President and  
Chief Executive Officer

I, John R. Considine, 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)) 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]
  - (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
  - (c) 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 13, 2004

/s/ John R. Considine

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John R. Considine  
Executive Vice President and  
Chief Financial 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, 2004 (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, Edward J. Ludwig, 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 13, 2004

/s/ Edward J. Ludwig

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Name: Edward J. Ludwig  
Chairman, President and  
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, 2004 (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, John R. Considine, 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 13, 2004

/s/ John R. Considine

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Name: John R. Considine  
Executive Vice President and  
Chief Financial Officer