

BECTON DICKINSON & CO
Form DEF 14A
December 14, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Becton, Dickinson and Company
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Becton, Dickinson and Company

1 Becton Drive

Franklin Lakes, New Jersey 07417-1880

www.bd.com

December 14, 2017

Dear Fellow Shareholders:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Becton, Dickinson and Company (BD) to be held at 1:00 p.m. EST on Tuesday, January 23, 2018 at the Four Seasons Hotel New York, 57 East 57 Street, New York, New York.

The accompanying notice of meeting and proxy statement describe the matters to be acted upon at the meeting. We also will report on matters of interest to BD shareholders.

Your vote is important. Whether or not you plan to attend the Annual Meeting in person, we encourage you to vote so that your shares will be represented and voted at the meeting. You may vote by proxy on the Internet or by telephone, or by completing and mailing the enclosed proxy card in the return envelope provided. You may also vote in person at the Annual Meeting.

Thank you for your continued support of BD.

Sincerely,

Vincent A. Forlenza
Chairman and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Becton, Dickinson and Company

1 Becton Drive

Franklin Lakes, New Jersey 07417-1880

December 14, 2017

The 2018 Annual Meeting of Shareholders of Becton, Dickinson and Company (**BD**) will be held as follows:

DATE: Tuesday, January 23, 2018

TIME: 1:00 p.m. EST

LOCATION: Four Seasons Hotel New York

57 East 57th Street

New York, New York

PURPOSE: To consider and act upon the following proposals:

1. The election as directors of the thirteen nominees named in the attached proxy statement for a one-year term;
2. The ratification of the selection of the independent registered public accounting firm;
3. An advisory vote to approve named executive officer compensation;
4. A shareholder proposal to amend **BD**'s proxy access by-law, if properly presented at the meeting; and
5. Such other business as may properly come before the meeting or any adjournment or postponement thereof.

Shares represented by properly executed proxies will be voted in accordance with the instructions specified therein. Shares represented by properly executed proxies that do not provide specific voting instructions will be voted in accordance with the recommendations of **BD**'s Board of Directors set forth in the accompanying proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting of Shareholders to be held on January 23, 2018. **BD's proxy statement and 2017 Annual Report, which includes **BD**'s consolidated financial statements, are available at www.edocumentview.com/BDX.**

Shareholders of record at the close of business on December 8, 2017 will be entitled to attend and vote at the meeting.

By order of the Board of Directors,

Gary DeFazio
Senior Vice President and Corporate Secretary

YOU CAN VOTE BY PROXY OR SUBMIT VOTING INSTRUCTIONS IN

ONE OF THREE WAYS:

1. VIA THE INTERNET:

Visit the website noted on your proxy/voting instruction card.

2. BY TELEPHONE:

Use the telephone number noted on your proxy/voting instruction card.

3. BY MAIL:

Promptly return your signed and dated proxy/voting instruction card in the envelope provided.

Table of Contents

Table of Contents

<u>GENERAL INFORMATION</u>	1
<u>Proxy solicitation</u>	1
<u>Shareholders entitled to vote; Attendance at the 2018 Annual Meeting</u>	1
<u>Quorum; Required vote</u>	1
<u>How to vote</u>	2
<u>Participants in BD plans</u>	2
<u>Revocation of proxies or change of instructions</u>	3
<u>Other matters</u>	3
<u>OWNERSHIP OF BD COMMON STOCK</u>	3
<u>Securities owned by certain beneficial owners</u>	3
<u>Securities owned by directors, nominees and management</u>	4
<u>Equity compensation plan information</u>	5
<u>Section 16(a) beneficial ownership reporting compliance</u>	6
<u>PROPOSAL 1. ELECTION OF DIRECTORS</u>	6
<u>Nominees for director</u>	7
<u>BOARD OF DIRECTORS</u>	11
<u>The Board and Committees of the Board</u>	11
<u>Committee membership and function</u>	11
<u>Board, Committee and annual meeting attendance</u>	14
<u>Non-management directors compensation</u>	15
<u>Communication with directors</u>	17
<u>CORPORATE GOVERNANCE</u>	18
<u>Corporate Governance Principles</u>	18
<u>Board leadership structure</u>	18
<u>Board oversight of risk</u>	19
<u>Director nomination process</u>	19
<u>Other significant governance practices</u>	20
<u>Director independence; Policy regarding related person transactions</u>	23
<u>Code of Conduct</u>	24
<u>REPORT OF THE COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE</u>	25
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	26
<u>COMPENSATION OF NAMED EXECUTIVE OFFICERS</u>	42
<u>Fiscal Year 2017 Summary Compensation Table</u>	42
<u>Information Regarding Plan Awards in Fiscal Year 2017</u>	45
<u>Outstanding Equity Awards</u>	47
<u>SAR Exercises and Vesting of Stock Units</u>	49
<u>Other Compensation</u>	49
<u>Payments Upon Termination of Employment or Change in Control</u>	53
<u>PROPOSAL 2. RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED</u>	
<u>PUBLIC ACCOUNTING FIRM</u>	56
<u>Report of the Audit Committee</u>	58
<u>PROPOSAL 3. ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER</u>	
<u>COMPENSATION</u>	59
	60

PROPOSAL 4. A SHAREHOLDER PROPOSAL REGARDING A PROXY ACCESS BY-LAW
AMENDMENT
SHAREHOLDER PROPOSALS OR DIRECTOR NOMINATIONS FOR 2019 ANNUAL
MEETING
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

61
APPENDIX A

Table of Contents

PROXY STATEMENT

2018 ANNUAL MEETING OF SHAREHOLDERS

Tuesday, January 23, 2018

BECTON, DICKINSON AND COMPANY

1 Becton Drive

Franklin Lakes, New Jersey 07417-1880

GENERAL INFORMATION

Proxy solicitation

These proxy materials are being mailed or otherwise sent to shareholders of Becton, Dickinson and Company (*BD*) on or about December 14, 2017 in connection with the solicitation of proxies by the *BD* Board of Directors (the *Board*) for *BD* 's 2018 Annual Meeting of Shareholders (the *2018 Annual Meeting*) to be held at 1:00 p.m. EST on Tuesday, January 23, 2018 at the Four Seasons Hotel New York, 57 East 57th Street, New York, New York.

BD 's directors and its officers and other *BD* associates also may solicit proxies by telephone or otherwise. Brokers and other nominees will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable expenses. *BD* has retained MacKenzie Partners, Inc. to assist in soliciting proxies for a fee not to exceed \$25,500 plus expenses. The cost of soliciting proxies will be borne by *BD*.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting of Shareholders to be held on January 23, 2018. This proxy statement and *BD* 's 2017 Annual Report to Shareholders are also available at www.edocumentview.com/BDX.

Shareholders entitled to vote; Attendance at the 2018 Annual Meeting

Shareholders of record at the close of business on December 8, 2017 are entitled to notice of, and to vote at, the meeting. As of such date, there were 229,407,806 shares of *BD* common stock outstanding, each entitled to one vote.

If your shares are held in the name of a bank, broker or other nominee (also known as shares held in street name) and you wish to attend the meeting, you must present proof of ownership as of the record date, such as a bank or brokerage account statement, to be admitted. BD may request appropriate identification for any person seeking to attend the meeting as a condition of admission.

Quorum; Required vote

The holders of a majority of the shares entitled to vote at the meeting must be present in person or represented by proxy to constitute a quorum. Directors are elected by a majority of the votes cast at the meeting (Proposal 1). If an incumbent director receives a greater number of votes against the director's election than votes for such election, the director must offer to submit his or her resignation, and the Board will decide whether to accept the offer to resign in accordance with the process described on page 21 of this proxy statement. Approval of each of Proposal 2 (ratification of independent registered public accounting firm), Proposal 3 (advisory vote to approve named executive compensation), and Proposal 4 (shareholder proposal) requires the affirmative vote of a majority of the votes cast at the meeting.

Under New Jersey law, abstentions and shares that brokers do not have the authority to vote in the absence of timely instructions from the beneficial owners will not be counted as votes cast, and, accordingly, will have no effect on the outcome of the vote for any of the proposals.

Table of Contents

How to vote

Shareholders of record may cast their votes at the meeting. In addition, shareholders of record may cast their votes by proxy, and participants in the BD plans described below may submit their voting instructions, by:

using the Internet and voting at the website listed on the enclosed proxy/voting instruction card (the proxy card);

using the telephone number listed on the proxy card; or

signing, completing and returning the proxy card in the postage-paid envelope provided.

Votes and voting instructions provided through the Internet and by telephone are authenticated by use of a personal identification number. This procedure allows shareholders to appoint a proxy, and the various plan participants to provide voting instructions, and to confirm that their actions have been properly recorded. Specific instructions to be followed are set forth on the proxy card. If you vote through the Internet or by telephone, you do not need to return your proxy card. **In order to be timely processed, voting instructions submitted by participants in BD's Global Share Investment Program (the GSIP) must be received by 12:00 p.m. EST on January 17, 2018, and voting instructions submitted by participants in all other BD plans must be received by 12:00 p.m. EST on January 19, 2018. All proxies submitted by record holders through the Internet or by telephone must be received by 11:00 a.m. EST on January 23, 2018.**

If you are the beneficial owner of shares held in street name, you have the right to direct your bank, broker or other nominee on how to vote your shares by using the voting instruction form provided to you by your nominee, or by following their instructions for voting through the Internet or by telephone. In the alternative, you may vote in person at the meeting if you obtain a valid proxy from your bank, broker or other nominee and present it at the meeting.

Shares represented by properly executed proxies will be voted in accordance with the instructions specified therein. Shares represented by properly executed proxies that do not specify voting instructions will be voted in accordance with the recommendations of the Board set forth in this proxy statement. If you hold your shares in street name, and you do not provide voting instructions to your bank, broker or other nominee, your nominee will not be permitted to vote your shares in its discretion on Proposals 1, 3, or 4, but may still be permitted to vote your shares in its discretion on Proposal 2.

Participants in BD plans

Participants in the BD 401(k) Plan may instruct the 401(k) Plan trustee how to vote the shares of BD common stock allocated to their 401(k) accounts. Shares for which no voting instructions have been received by the 401(k) Plan trustee will be voted in the same proportion as those shares for which timely instructions are received.

Participants in BD's Deferred Compensation and Retirement Benefit Restoration Plan (the Restoration Plan), the 1996 Directors' Deferral Plan (the Directors' Deferral Plan), and the GSIP (if so provided under the terms of the local country GSIP plan) may provide voting instructions for all shares of BD common stock allocated to their plan accounts. The trustees of these plans will vote the plan shares for which they do not receive instructions from participants in the same proportion as the plan shares for which they do receive instructions.

Proxies representing shares of BD common stock held of record also will serve as proxies for shares held under the Direct Stock Purchase Plan sponsored and administered by Computershare Trust Company, N.A. and any shares of BD common stock allocated to participants' accounts under the plans mentioned above, if the registrations are the same. Separate mailings will be made for shares not held under the same registrations.

Table of Contents**Revocation of proxies or change of instructions**

A proxy given by a shareholder of record may be revoked or changed at any time before it is voted by:

sending written notice of revocation to the Corporate Secretary of BD at the address set forth above or delivering such notice at the meeting prior to the voting of the proxy,

delivering a proxy (by one of the methods described above under the heading **How to vote**) bearing a later date, or

voting in person by written ballot at the meeting.

Participants in the plans described above may change their voting instructions by delivering new voting instructions by one of the methods described above under the heading **How to vote**.

If you are the beneficial owner of shares held in street name, you may revoke or change your voting instructions in the manner provided by your bank, broker or other nominee, or you may vote in person at the meeting in the manner described above under the heading **How to vote**.

Other matters

The Board is not aware of any matters to be presented at the 2018 Annual Meeting other than those set forth in the accompanying notice. If any other matters properly come before the meeting, the persons named in the proxy card will vote on such matters in accordance with their best judgment.

OWNERSHIP OF BD COMMON STOCK**Securities owned by certain beneficial owners**

The following table sets forth as of September 30, 2017, information concerning those persons known to BD to be the beneficial owner of more than 5% of BD's outstanding capital stock. This information is based on filings made by such persons with the Securities and Exchange Commission (**SEC**).

Name and address of beneficial owner	Title of Security	Amount and nature of beneficial ownership	Percent of class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	Common Stock Depository Shares	30,142,561(1) 15,539,594(2)	13.1% 31.1%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	Common Stock	17,740,001(3)	7.8%

	Depository Shares	4,809,557(4)	9.7%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	Common Stock	17,587,014(5)	7.7%

- (1) The beneficial owner has sole dispositive power with respect to these shares and sole voting power with respect to 9,621,581 shares.
- (2) The beneficial owner has sole dispositive power with respect to these shares, and sole voting power with respect to 4,137,990 shares.
- (3) The beneficial owner has sole dispositive power with respect to these shares, and sole voting power with respect to 15,498,075 shares.
- (4) The beneficial owner has sole dispositive power and voting power with respect to these shares.
- (5) The beneficial owner has sole dispositive power with respect to 17,187,091 shares and shared dispositive power with respect to 399,923 shares, and sole voting power with respect to 345,159 shares and shared voting power with respect to 62,304 shares.

Table of Contents**Securities owned by directors, nominees and management**

The following table sets forth as of December 1, 2017 information concerning the beneficial ownership of BD common stock by (i) each director and nominee, (ii) the executive officers named in the Summary Compensation Table on page 42, and (iii) all directors and executive officers as a group. In general, beneficial ownership includes those shares that an individual has the sole or shared power to vote or dispose of, including shares that may be acquired under outstanding equity compensation awards or otherwise within 60 days. Except as indicated in the footnotes to the table, each person has the sole power to vote and dispose of the shares he or she beneficially owns.

BD has a policy that prohibits directors, officers and employees from pledging BD shares or engaging in transactions that are intended to hedge against the economic risk of owning BD shares. None of BD's directors or executive officers has pledged or hedged against any of the shares listed.

BD COMMON STOCK

Name	Amount and nature of beneficial ownership(1)	Percentage of class
Basil L. Anderson	31,056	*
Catherine M. Burzik	6,318	*
Alexandre Conroy	135,671	*
R. Andrew Eckert	1,564	*
Vincent A. Forlenza	1,401,461	*
Claire M. Fraser	20,498	*
Christopher Jones	19,287	*
Marshall O. Larsen	22,320	*
Gary A. Mecklenburg	30,870	*
David F. Melcher(2)	0	*
James F. Orr	36,398	*
Willard J. Overlock, Jr.	59,943	*
Thomas Polen	42,222	*
Claire Pomeroy	5,221	*
Christopher R. Reidy	114,857	*
Rebecca W. Rimel	8,900	*
Timothy M. Ring(2)	0	*
Bertram L. Scott	39,613	*
Ellen R. Strahlman	54,945	*
Directors and executive officers as a group (23 persons)	2,349,359	1.0%

* Represents less than 1% of the outstanding BD common stock.

(1) Includes (a) shares held directly, (b) with respect to executive officers, indirect interests in BD common stock held under the BD 401(k) Plan, GSIP and the Restoration Plan, and (c) with respect to the non-management directors, indirect interests in BD common stock held under the Directors' Deferral Plan. Additional information

on certain of these plans appears on pages 5-6. Includes shares under outstanding stock appreciation rights and restricted stock units that executive officers may acquire within 60 days, as follows: Mr. Forlenza, 1,221,894 shares; Mr. Conroy, 109,343 shares; Mr. Polen, 35,676 shares; Mr. Reidy, 99,796 shares; and Dr. Strahlman, 45,355 shares. Also includes, with respect to each non-management director, shares issuable under restricted stock units as follows: Mr. Anderson, 24,366 shares; Ms. Burzik, 6,318 shares; Mr. Eckert, 1,553 shares; Dr. Fraser, 20,498 shares; Mr. Jones, 13,410 shares; Mr. Larsen, 18,606 shares; Mr. Mecklenburg, 24,284 shares; Mr. Orr, 24,280 shares; Mr. Overlock, 27,361 shares; Dr. Pomeroy, 5,221 shares; Ms. Rimel, 8,245 shares; and Mr. Scott, 25,795 shares. The above table does not reflect the grant of restricted stock units the persons elected as director at the 2018 Annual Meeting will receive, as the amount of these grants cannot be determined at this time. See Non-management directors compensation Equity award on page 15.

Table of Contents

- (2) Messrs. Melcher and Ring currently serve as directors of C.R. Bard, Inc. The above table does not reflect any shares that Messrs. Melcher and Ring may acquire in connection with BD's pending acquisition of C.R. Bard, Inc., as these amounts are indeterminable at this time. See Proposal 1 Election of Directors. The table also does not reflect the pro-rated restricted stock unit award they would each receive upon joining the Board, as this amount is also indeterminable. See Non-management directors' compensation Equity Award.

Equity compensation plan information

The following table provides certain information as of September 30, 2017 regarding BD's equity compensation plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights(1)	(c) Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column(a))
Equity compensation plans approved by security holders	10,013,862(2)	\$ 116.30	8,231,761(3)
Equity compensation plans not approved by security holders	1,639,001(4)	N/A	0(5)
Total	11,652,863	\$ 116.30	8,231,761

- (1) Shares issuable pursuant to outstanding performance-based restricted stock units and time-vested restricted stock units under the 2004 Plan and BD's Stock Award Plan, as well as shares issuable under the Directors' Deferral Plan, the Restoration Plan and the GSIP, are not included in the calculation of weighted-average exercise price, as there is no exercise price for these shares.
- (2) Shares issuable includes (i) 303,003 stock options and 6,466,001 SARs granted under the 2004 Plan, (ii) 1,079,876 performance-based restricted stock units (assuming maximum payout) and 2,136,218 time-vested units granted under the 2004 Plan, and (iii) 28,764 shares issuable under restricted stock unit awards granted under the Stock Award Plan. The weighted average remaining term of the outstanding options and SARs is 6.08 years.
- (3) Represents shares available for issuance under the 2004 Plan and includes 3,052,553 shares available for full-value awards, assuming maximum payout of outstanding Performance Units.
- (4) Includes 129,544 shares issuable under the Directors' Deferral Plan, 337,670 shares issuable under the Restoration Plan, and 1,171,787 shares issuable under the GSIP.

- (5) Not shown are shares issuable under the Directors' Deferral Plan, the Restoration Plan or the GSIP. There are no limits on the number of shares issuable under these plans, and the number of shares that may become issuable will depend on future elections made by plan participants.

Directors' Deferral Plan. The Directors' Deferral Plan allows non-management directors to defer receipt, in an unfunded cash account or a BD common stock account, of all or part of their annual retainer and other cash fees. Directors may also defer receipt of the shares underlying their restricted stock unit awards. The number of shares credited to the BD common stock accounts of participants is adjusted periodically to reflect the payment and reinvestment of dividends on the BD common stock. Participants may also elect to have amounts held in a cash account converted into a BD common stock account. Amounts credited to the BD stock fund are paid out in BD shares at the time of distribution. The Directors' Deferral Plan is not qualified, and participants have an unsecured contractual commitment of BD to pay the amounts due under the Directors' Deferral Plan.

Restoration Plan. Information regarding the deferral features of the Restoration Plan can be found beginning on page 52 of this proxy statement. The number of shares credited to the BD common stock accounts of participants is adjusted periodically to reflect the payment and reinvestment of dividends on the BD common stock. Amounts credited to the BD common stock accounts of the Restoration Plan are paid out in BD shares at the time of distribution. The Restoration Plan is not qualified, and participants have an unsecured contractual commitment of BD to pay the amounts due under the plan.

Table of Contents

GSIP. BD maintains the GSIP for its non-U.S. associates in certain jurisdictions outside of the United States. The purpose of the GSIP is to provide non-U.S. associates with a means of saving on a regular and long-term basis and acquiring a beneficial interest in BD common stock. Participants may contribute a portion of their base pay, through payroll deductions, to the GSIP for their account. BD provides matching funds of up to 3% of a participant's base pay through contributions to the participant's plan account. A participant may withdraw the vested portion of the participant's account, although such withdrawals must be in the form of a cash payment if the participant is employed by BD at the time of withdrawal. Following termination of service, withdrawals will be paid in either cash or shares, at the election of the participant.

Section 16(a) beneficial ownership reporting compliance

Section 16(a) of the Securities Exchange Act of 1934 requires BD's directors and executive officers to file initial reports of their ownership of BD's equity securities and reports of changes in such ownership with the SEC and the New York Stock Exchange (NYSE). Directors and executive officers are required by SEC regulations to furnish BD with copies of all Section 16(a) forms they file with respect to BD securities. Based solely on a review of copies of such forms and written representations from BD's directors and executive officers, BD believes that, for the period from October 1, 2016 through September 30, 2017, all of its directors and executive officers were in compliance with the reporting requirements of Section 16(a).

Proposal 1. ELECTION OF DIRECTORS

Members of our Board are elected to serve a term of one year and until their successors have been elected and qualified. All of the nominees for director have consented to being named in this proxy statement and to serve if elected.

Each of the nominees is a current member of BD's Board, except for Messrs. Melcher and Ring, who currently serve as directors of C.R. Bard, Inc. (Bard). Under the terms of the agreement by which BD has agreed to acquire Bard, BD is required to appoint Mr. Ring and one other Bard director mutually agreed upon by BD and Bard to the Board upon the closing of the acquisition. In accordance with the terms of the agreement, the Board has appointed Messrs. Melcher and Ring to the Board, subject to and effective upon the closing of the Bard acquisition. Accordingly, the votes on the nominations of Messrs. Melcher and Ring for a one-year term until the 2019 Annual Meeting of Shareholders (the 2019 Annual Meeting) are conditioned upon the Bard acquisition being completed prior to the 2018 Annual Meeting. If the closing of the Bard acquisition has not occurred by the 2018 Annual Meeting, Messrs. Melcher and Ring will not be elected to the Board at the 2018 Annual Meeting, and the votes regarding their nominations will have no effect. They will, however, thereafter become members of the Board upon the closing of the Bard acquisition, to serve until the 2019 Annual Meeting.

Except as discussed above regarding Messrs. Melcher and Ring, BD does not know of any reason why any nominee would be unable to serve as director. If any nominee is unable to serve, the shares represented by valid proxies will be voted for the election of such other person as the Board may nominate, or the size of the Board may be reduced.

Messrs. Basil L. Anderson and James F. Orr, who have reached the mandatory retirement age under BD's Corporate Governance Principles (the Principles), will retire as members of the Board effective at the conclusion of the 2018 Annual Meeting.

Table of Contents

BD directors have a variety of backgrounds, which reflects the Board's continuing efforts to achieve a diversity of viewpoint, experience, knowledge, ethnicity and gender. As more fully discussed below, director nominees are considered on the basis of a range of criteria, including their business knowledge and background, prominence and reputation in their fields, global business perspective and commitment to strong corporate governance and citizenship. They must also have experience and ability that is relevant to the Board's oversight role with respect to BD's business and affairs. Each nominee's biography includes the particular experience and qualifications that led the Board to conclude that the nominee should serve on the Board.

NOMINEES FOR DIRECTOR

Catherine M. Burzik, 67, has been a director since 2013. From 2006 until the sale of the company in 2012, she served as President and Chief Executive Officer of Kinetic Concepts, Inc., a medical device company specializing in the fields of wound care and regenerative medicine. Prior thereto, she was President of Applied Biosystems and President of Ortho-Clinical Diagnostics, Inc., a Johnson & Johnson company. Ms. Burzik also is a director of Haemonetics Corporation.

Ms. Burzik is a seasoned executive in the healthcare industry, having led major medical device, diagnostic, diagnostic imaging and life sciences businesses. She contributes strong strategic, product development and leadership expertise, and extensive knowledge of the global healthcare field.

R. Andrew Eckert, 56, has been a director since 2016. Since April 2017, he has served as director and President and Chief Executive Officer of Acelity L.P. Inc., a global wound care company. From 2015 until the sale of the company in 2016, he served as the Chief Executive Officer of Valence Health, Inc., a health care information technology and services company. Prior thereto, Mr. Eckert served as Chief Executive Officer of TriZetto Corporation, a healthcare IT solutions firm, and Chief Executive Officer of CRC Health Group, a provider of specialized behavioral healthcare services. Mr. Eckert also is the Chairman of Varian Medical Systems.

Mr. Eckert is a leader in the growing field of health care information technology, with extensive experience as an executive officer of several healthcare companies. He has a deep knowledge of operations, strategic planning, product development and marketing, and has valuable corporate governance insight gained from having served as a director of several public companies.

Vincent A. Forlenza, 64, has been a director since 2011. He became BD's Chairman in 2012 and was elected its Chief Executive Officer in 2011. He also served as BD's President from 2009 to April 2017, and as its Chief Operating Officer from July 2010 to October 2011. Mr. Forlenza also is a member of the Board of Directors and former Chairman of the Advanced Medical Technology Association (AdvaMed), an international medical technology trade organization. He is a member of the Board of Trustees of The Valley Health System and a member of the Board of Directors of the Quest Autism Foundation.

Mr. Forlenza has been with BD for over 36 years in a number of different capacities, including strategic planning, business development, research and development and general management in each of BD's segments and in overseas roles. Mr. Forlenza brings to the Board extensive business and industry experience, and provides the Board with a unique perspective on BD's strategy and operations, particularly in the area of new product development.

Table of Contents

Claire M. Fraser, Ph.D, 62, has been a director since 2006. Since 2007, she has been Director of the Institute for Genome Sciences and a Professor of Medicine at the University of Maryland School of Medicine in Baltimore, Maryland. From 1998 to 2007, she served as President and Director of The Institute for Genomic Research, a not-for-profit center dedicated to deciphering and analyzing genomes. Dr. Fraser also serves on the Board of the American Association for the Advancement of Science, the Maryland Technology Development Corporation (TEDCO) and Ohana Biosciences Inc.

Dr. Fraser is a prominent scientist with a strong background in infectious diseases and molecular diagnostics, including the development of novel diagnostics and vaccines. She also brings considerable managerial experience in her field.

Christopher Jones, 62, has been a director since 2010. Mr. Jones retired in 2001 as Chief Executive Officer of JWT Worldwide (previously known as J. Walter Thompson), an international marketing firm. He is a member of the Board of Trustees of The Pew Charitable Trusts, and a member of the Board of Directors of the Albert and Mary Lasker Foundation. He also is a director of the Cello Group, Chairman of Palmer Hargreaves, and a member of the Health Advisory Board of The Johns Hopkins University Bloomberg School of Public Health.

Mr. Jones contributes an important international perspective based on his distinguished career as a marketing leader and head of a global marketing firm. He offers substantial marketing, strategic and managerial expertise derived from his broad range of activities in the field.

Marshall O. Larsen, 69, has been a director since 2007. Mr. Larsen retired in 2012 as Chairman, President and Chief Executive Officer of Goodrich Corporation, a supplier of systems and services to the aerospace and defense industry. Mr. Larsen also is a director of Air Lease Corporation, Lowe's Companies, Inc. and United Technologies Corporation.

As a veteran chief executive officer of a public company, Mr. Larsen offers the valuable perspective of an individual with highly-developed executive leadership and financial and strategic management skills in a global manufacturing company. These qualities reflect considerable domestic and international business and financial experience.

Gary A. Mecklenburg, 71, has been a director since 2004. In 2006, he retired as President and Chief Executive Officer of Northwestern Memorial HealthCare, a position he had held since 1986, and he also served as President of Northwestern Memorial Hospital from 1985 to 2002. He is currently a director of LHP Hospital Group, Inc. and Froedtert Health, Inc.

Mr. Mecklenburg's long tenure in hospital administration affords him a broad perspective on the many facets of the delivery of healthcare and a deep knowledge of healthcare financing and administration. As the former leader of a major teaching hospital, Mr. Mecklenburg possesses strong executive management, financial, strategic and operational knowledge as applied in a healthcare setting.

Table of Contents

David F. Melcher, 63, will become a director upon the closing of BD's acquisition of Bard. He has served as a director of Bard since 2014, and has served on its Finance, Audit and Compensation and Personnel committees of Bard's board. Since 2015, he has served as President and Chief Executive Officer of Aerospace Industries Association, a trade association representing major aerospace and defense manufacturers and suppliers, a position he plans to leave at the end of 2017. From 2011 to 2015, he was Chief Executive Officer, President and a member of the Board of Directors of Exelis Inc., a diversified, global aerospace defense, information and technology services company, having served as President of ITT Defense and Information Solutions until Exelis Inc. spun off from ITT in 2011. Prior to 2008, Lieutenant General (Ret.) Melcher spent 32 years of distinguished service in the U.S. Army.

Mr. Melcher brings strong executive experience as a result of his many years in leadership positions in the defense community and as a former chief executive officer of a public company. Mr. Melcher offers the perspective of a seasoned executive with extensive experience and expertise in the areas of domestic and international business, program management, strategy development, finance and IT.

Willard J. Overlock, Jr., 71, has been a director since 1999. He retired in 1996 as a partner in Goldman, Sachs & Co., where he served as a member of its Management Committee, and retains the title of Senior Director to The Goldman Sachs Group, Inc. Mr. Overlock is a member of the Board of Directors of Evercore Partners, Inc., a trustee of Rockefeller University, and Chairman of the Board of Directors of the Albert and Mary Lasker Foundation. Mr. Overlock also is a member of the Board of the Cue Ball Group, LLC.

Mr. Overlock has broad financial and investment banking experience based on his senior leadership roles in these areas. He contributes financial and transactional expertise and acumen in mergers and acquisitions and complex financial transactions.

Claire Pomeroy, 62, has been a director since 2014. Since 2013, she has served as the President of the Albert and Mary Lasker Foundation, a private foundation that seeks to improve health by accelerating support for medical research through recognition of research excellence, public education and advocacy. Prior thereto, Dr. Pomeroy served as Dean of the University of California, Davis (UC Davis) School of Medicine, and Chief Executive Officer of the UC Davis Health System. Dr. Pomeroy also is a member of the Board of Directors of the Sierra Health Foundation, New York Academy of Medicine, New York

Blood Center, and the Foundation for Biomedical Research. She is a member of the Board of Trustees of the Morehouse School of Medicine.

Dr. Pomeroy is an expert in infectious diseases, with broad experience in the area of healthcare delivery, health system administration, higher education, medical research and public health. She brings to the Board important perspectives in the areas of patient care services, global health and health policy.

Rebecca W. Rimel, 66, has been a director since 2012. Since 1994, she has served as President and Chief Executive Officer of The Pew Charitable Trusts, a public charity that works to improve public policy and inform the public. Ms. Rimel previously served as Assistant Professor in the Department of Neurosurgery at the University of Virginia Hospital and also as Head Nurse of its medical center emergency department. Ms. Rimel also is a director of BioTelemetry, Inc. and a director/trustee of various Deutsche mutual funds.

Ms. Rimel brings executive leadership and extensive experience in public policy and advocacy, particularly in the area of healthcare. She also offers the perspective of someone with a strong background in the healthcare field.

Table of Contents

Timothy M. Ring, 60, is the Chairman and Chief Executive Officer of Bard. Mr. Ring will become a director of BD upon the closing of BD's acquisition of Bard. Mr. Ring also is a director of Quest Diagnostics Incorporated, and a co-founder of TEAMFund, Inc., an impact fund focused on delivering medical technology to sub-Saharan Africa and India.

With over 20 years of experience in various leadership positions at Bard, including as Chairman and Chief Executive Officer, Mr. Ring offers a unique perspective on the Bard business. As an experienced chief executive officer of a public company, Mr. Ring contributes expertise in many facets of business, including strategy, product development and international operations, and has extensive experience in the healthcare industry.

Bertram L. Scott, 66, has been a director since 2002. Mr. Scott is Senior Vice President of Population Health of Novant Health, an integrated network of physician practices, outpatient centers and hospitals. He previously served as President and Chief Executive Officer of Affinity Health Plan, and as President, U.S. Commercial of CIGNA Corporation. Prior thereto, Mr. Scott served as Executive Vice President of TIAA-CREF and as President and Chief Executive Officer of TIAA-CREF Life Insurance Company. Mr. Scott also is a director of AXA Financial, Inc., Lowe's Companies, Inc. and Tufts Health Plan.

Mr. Scott possesses strong strategic, operational and financial experience from the variety of executive roles in which he has served during his career. He brings experience in corporate governance and business expertise in the insurance and healthcare fields.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR.

Table of Contents**BOARD OF DIRECTORS****The Board and Committees of the Board**

BD is governed by the Board of Directors. The Board has established four operating committees (the Committees): the Audit Committee; the Compensation and Management Development Committee (the Compensation Committee); the Corporate Governance and Nominating Committee (the Governance Committee); and the Science, Marketing, Innovation and Technology Committee (the SMIT Committee). These Committees meet regularly. The Board has also established an Executive Committee that meets only as needed.

The Board has adopted written charters for each of the Committees that are posted on BD's website at www.bd.com/investors/corporate_governance/. Printed copies of these charters, BD's 2017 Annual Report on Form 10-K, and BD's reports and statements filed with or furnished to the SEC may be obtained, without charge, by contacting the Corporate Secretary, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, telephone 201-847-6800.

Committee membership and function

Set forth below are the members of each Committee and a summary description of each Committee's areas of oversight. As stated earlier, Messrs. Anderson and Orr are retiring from the Board at the conclusion of the 2018 Annual Meeting.

AUDIT COMMITTEE

Members	Function
Bertram L. Scott Chair	Retains and reviews the qualifications, independence and performance of BD's registered public accounting firm (the independent auditors).
Basil L. Anderson	
Catherine M. Burzik	Reviews BD's public financial disclosures and financial statements, and its accounting principles, policies and practices; the scope and results of the annual audit by the independent auditors; BD's internal audit process; and the effectiveness of BD's internal control over financial reporting.
Christopher Jones	
Willard J. Overlock, Jr.	
Rebecca W. Rimel	Reviews BD's guidelines and policies relating to enterprise risk assessment and management.
	Oversees BD's ethics and enterprise compliance programs.

Reviews financial strategies regarding currency, interest rates and use of derivatives, and reviews BD's insurance program.

Functions as a qualified legal compliance committee, if necessary.

Upon joining the Board, Mr. Melcher will become a member of the Audit Committee. The Board has determined that the members of the Audit Committee and Mr. Melcher meet the independence and financial literacy requirements of the NYSE for audit committee members. The Board also has determined that each of Messrs. Anderson, Melcher and Scott and Ms. Burzik qualifies as an audit committee financial expert under the rules of the SEC.

Table of Contents

COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

Members	Function
	Reviews BD's compensation and benefits programs, recommends the compensation of BD's Chief Executive Officer (CEO) to the independent members of the Board, and approves the compensation of BD's other executive officers.
Marshall O. Larsen Chair	Approves all employment, severance and change in control agreements with our executive officers.
Basil L. Anderson	
Gary A. Mecklenburg	Serves as the granting and administrative committee for BD's equity compensation plans.
James F. Orr	
Bertram L. Scott	Oversees certain other BD benefit plans.
	Reviews leadership development initiatives.

Upon joining the Board, Mr. Melcher will become a member of the Compensation Committee. The Board has determined that each member of the Compensation Committee and Mr. Melcher meets the independence requirements of the NYSE for compensation committee members. Each member and Mr. Melcher also qualifies as an outside director under Section 162(m) of the Internal Revenue Code, and as a non-employee director under Section 16 of the Securities Exchange Act of 1934.

Procedure for determining executive compensation

The Compensation Committee oversees the compensation program for the executive officers named in the Summary Compensation Table on page 42 and for BD's other executive officers. The Compensation Committee recommends compensation actions regarding the CEO to the other independent directors and has the authority to take compensation actions with respect to BD's other executive officers. The Compensation Committee may not delegate these responsibilities to another Committee, an individual director or members of management.

Role of management

The Compensation Committee's meetings are typically attended by BD's CEO and Chief Human Resource Officer and others who support the Compensation Committee in fulfilling its responsibilities. The Compensation Committee considers management's views relating to compensation matters, including the performance metrics and targets for BD's performance-based compensation. Management also provides information (which is reviewed by our Internal

Audit department) to assist the Compensation Committee in determining the extent to which performance targets have been achieved. This includes any recommended adjustments to BD's operating results when assessing BD's performance. The CEO and Chief Human Resource Officer also work with the Compensation Committee chair in establishing meeting agendas.

The Compensation Committee meets in executive session with no members of management present for part of each of its regular meetings. The Compensation Committee also meets in executive session when considering compensation decisions regarding our executive officers.

Role of the independent consultant

The Compensation Committee is also assisted in fulfilling its responsibilities by its independent consultant, Pay Governance LLC (Pay Governance). Pay Governance is engaged by, and reports directly to, the Compensation Committee. The Compensation Committee is not aware of any conflict of interest on the part of Pay Governance or any factor that would otherwise impair the independence of Pay Governance relating to the

Table of Contents

services performed by Pay Governance for the Compensation Committee. During fiscal year 2017, Pay Governance was not engaged to perform any services for BD or BD's management. The Compensation Committee has adopted a policy prohibiting Pay Governance from providing any services to BD or BD's management without the Compensation Committee's prior approval, and has expressed its intention that such approval will be given only in exceptional cases. No other consultant was used by the Compensation Committee with respect to the fiscal year 2017 compensation of BD's executive officers.

Pay Governance reviews all materials prepared for the Compensation Committee by management, prepares additional materials as may be requested by the Compensation Committee, and attends Compensation Committee meetings. In its advisory role, Pay Governance assists the Compensation Committee in the design and implementation of BD's compensation program. This includes assisting the Compensation Committee in selecting the key elements to include in the program, the targeted payments for each element, and the establishment of performance targets.

Pay Governance also provides market comparison data, which is one of the factors considered by the Compensation Committee in making compensation decisions, and makes recommendations to the Compensation Committee regarding the compensation of BD's CEO. Pay Governance also conducts an annual review of the compensation practices of select peer companies. Based on this review, Pay Governance advises the Compensation Committee with respect to the competitiveness of BD's compensation program in comparison to industry practices, and identifies any trends in executive compensation.

Setting compensation

At the end of each fiscal year, the independent directors conduct a review of the CEO's performance. At the following Board meeting, the independent directors meet in executive session to set the compensation of the CEO after considering the results of its review, market comparison data and the recommendations of the Compensation Committee. The CEO does not play a role in determining or recommending his own compensation.

The Compensation Committee is responsible for determining the compensation of BD's other executive officers. The CEO, in consultation with the Chief Human Resource Officer, reviews the performance of the other executive officers with the Compensation Committee and makes compensation recommendations for its consideration. The Compensation Committee determines the compensation for these executives, in consultation with Pay Governance, after considering the CEO's recommendations and market comparison data regarding compensation levels for comparable positions at peer companies. All decisions regarding the compensation of BD's other executive officers are made in executive session.

The Board has delegated responsibility for formulating recommendations regarding non-management director compensation to the Governance Committee, which is discussed below.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

Members	Function
Gary A. Mecklenburg Chair	Identifies and recommends candidates for election to the Board.
R. Andrew Eckert	
Claire M. Fraser	

Marshall O. Larsen

Reviews the composition, structure and function of the Board and its Committees, as well as the compensation of non-management directors.

James F. Orr

Claire Pomeroy

Monitors BD's corporate governance and Board practices, and oversees the Board's self-evaluation process.

Oversees matters impacting BD's image, reputation and corporate responsibility, including, without limitation, communications, community relations, public policy and government relations activities, and sustainability.

Table of Contents

The Board has determined that each member of the Governance Committee meets the independence requirements of the NYSE.

As stated above, the Governance Committee reviews the compensation program for the non-management directors and makes recommendations to the Board regarding director compensation. The Governance Committee may not delegate these responsibilities to another Committee, an individual director or members of management. The Governance Committee has retained Pay Governance as an independent consultant for this purpose. Pay Governance's responsibilities include providing market comparison data on non-management director compensation at peer companies, tracking trends in non-management director compensation practices, and advising the Governance Committee regarding the components and levels of non-management director compensation. The Governance Committee is not aware of any conflict of interest on the part of Pay Governance or any other factor that would impair Pay Governance's independence. Executive officers do not play any role in either recommending or determining non-management director compensation.

SCIENCE, MARKETING, INNOVATION AND TECHNOLOGY COMMITTEE

Members	Function
Claire M. Fraser Chair	Oversees BD's major innovation activities and new product development programs.
Catherine M. Burzik	
R. Andrew Eckert	Reviews the alignment of BD's research and development, medical and regulatory affairs, and strategic marketing activities to BD's corporate strategy.
Christopher Jones	
Willard J. Overlock, Jr.	
Claire Pomeroy	Reviews potentially disruptive trends in technology, medical practice or the external environment.
Rebecca W. Rimel	

Upon joining the Board, Mr. Ring will become a member of the SMIT Committee.

Board, Committee and annual meeting attendance

The Board and its Committees held the following number of meetings during fiscal year 2017:

Board	11
Audit Committee	9
Compensation Committee	6
Governance Committee	6
SMIT Committee	5

The Executive Committee did not meet during fiscal year 2017. BD's non-management directors met in executive session at each of the Board meetings held during fiscal year 2017.

During fiscal year 2017, all directors attended at least 75% of the total number of meetings of the Board and the Committees on which he or she served.

The Board has adopted a policy pursuant to which directors are expected to attend the Annual Meeting of Shareholders in the absence of a scheduling conflict or other valid reason. All of the directors attended BD s 2017 Annual Meeting of Shareholders.

Table of Contents**Non-management directors compensation**

The Board believes that providing competitive compensation is necessary to attract and retain qualified non-management directors. The key elements of BD's non-management director compensation are a cash retainer, equity compensation, Committee chair fees and Lead Director fees. Of the base compensation paid to the non-management directors (cash retainer and equity), approximately two-thirds is equity-based compensation. See Corporate Governance Other significant governance practices Equity ownership by directors on page 21. Mr. Forlenza does not receive compensation related to his service as a director.

Cash retainer

Each non-management director currently receives an annual cash retainer of \$97,000 for services as a director. Directors do not receive meeting attendance fees.

Equity award

Each non-management director elected at an Annual Meeting of Shareholders is granted restricted stock units then valued at \$199,000 (using the same methodology used to value awards made to our executive officers). Directors newly elected to the Board receive a restricted stock unit grant that is prorated from the effective date of their election to the next Annual Meeting of Shareholders. The restricted stock units vest and are distributable one year from grant, unless deferred at the election of the director.

Committee chair/Lead Director fees

Annual fees for service as a Committee chair and as Lead Director are set forth below. No fee is paid to the chair of the Executive Committee.

Audit Committee chair	\$ 20,000
Compensation Committee chair	\$ 15,000
Governance Committee chair	\$ 15,000
SMIT Committee chair	\$ 15,000
Lead Director	\$ 30,000

Other arrangements

BD reimburses non-management directors for travel and other business expenses incurred in the performance of their services for BD. Directors may travel on BD aircraft in connection with such activities, and, on limited occasions, spouses of directors have joined them on such flights. Per SEC rules, no compensation is attributed to the directors for these flights in the table below, since the aggregate incremental costs of spousal travel were minimal. Directors are also reimbursed for attending director education courses. BD may also invite spouses of directors to Board-related business events, for which they are reimbursed their travel expenses.

Directors are eligible, on the same basis as BD associates, to participate in BD's Matching Gift Program, pursuant to which BD matches contributions made to qualifying nonprofit organizations. The aggregate limit per participant is \$5,000 per calendar year.

Table of Contents

The following table sets forth the compensation earned or received by BD's non-management directors during fiscal year 2017.

Fiscal Year 2017 Non-Management Directors Compensation

Name	Fees earned or paid in cash\$(1)	Stock awards\$(2)	All other \$(3)	Total(\$)
Basil L. Anderson	95,416	201,195	0	296,611
Catherine M. Burzik	95,416	201,195	5,000	301,611
R. Andrew Eckert	95,416	201,195	0	296,611
Claire M. Fraser	110,416	201,195	0	311,611
Christopher Jones	95,416	201,195	0	296,611
Marshall O. Larsen	140,416	201,195	0	341,611
Gary A. Mecklenburg	110,416	201,195	5,000	316,611
James F. Orr	95,416	201,195	0	296,611
Willard J. Overlock, Jr.	95,416	201,195	0	296,611
Claire Pomeroy	95,416	201,195	5,000	301,611
Rebecca W. Rimel	95,416	201,195	0	296,611
Bertram L. Scott	115,416	201,195	5,000	321,611

- (1) Reflects (i) cash retainer; (ii) annual Committee chair fees for Dr. Fraser and Messrs. Larsen, Mecklenburg and Scott; and (iii) Lead Director fee for Mr. Larsen.
- (2) The amounts shown in the "Stock awards" column reflect the grant date fair value under FASB ASC Topic 718 of restricted stock units awarded to non-management directors during the fiscal year. Since the average BD closing stock price for the 30 trading days prior to grant is used to determine the number of units granted rather than the grant date stock price, the amounts shown for the annual grant are slightly higher than the \$199,000 target award value. For a discussion of the assumptions made by us in arriving at the grant date fair value of these awards, see Note 7 to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017.

Listed below are the aggregate outstanding restricted stock unit awards held by each non-management director at the end of fiscal year 2017.

Name	Stock Awards Outstanding at September 30, 2017 (#)
Basil L. Anderson	24,366
Catherine M. Burzik	6,318
R. Andrew Eckert	1,553
Claire M. Fraser	20,498

Christopher Jones	13,410
Marshall O. Larsen	18,606
Gary A. Mecklenburg	24,284
James F. Orr	24,280
Willard J. Overlock, Jr.	27,361
Claire Pomeroy	5,221
Rebecca W. Rimel	8,245
Bertram L. Scott	25,795

(3) Amounts shown represent matching gifts under BD's Matching Gift Program.

Table of Contents

Changes to non-management directors' compensation

During fiscal year 2017, the Board undertook a review of director compensation, with the assistance of Pay Governance. This review included an analysis of the director compensation practices of certain peer companies, including the forms of equity compensation used, the mix of cash and equity compensation, and total compensation. The peer group used in this analysis included the following companies: Abbott Laboratories; Agilent Technologies, Inc.; Allergan plc.; Baxter International Inc.; Boston Scientific Corporation; Danaher Corporation; Medtronic plc; Stryker Corporation; Thermo Fisher Scientific Inc.; and Zimmer Biomet Holdings, Inc.

Following this review, the Board approved the following changes to director compensation, effective at the conclusion of the 2018 Annual Meeting, so as to better align the Board's compensation practices with those of the peer group companies:

The annual cash retainer will be increased to \$107,000 from \$97,000.

The value of the annual restricted stock unit awards will be increased to \$209,000 from \$199,000.

The annual fee for the SMIT Committee chair will be increased to \$20,000 from \$15,000, and the annual fee for the Lead Director will be increased to \$40,000 from \$30,000.

Directors' Deferral Plan

Directors may defer receipt of all or part of their annual cash retainer and other cash fees pursuant to the provisions of the Directors' Deferral Plan. Directors may also defer receipt of shares issuable to them under their restricted stock unit awards. A general description of the Directors' Deferral Plan appears on page 5.

Communication with directors

Shareholders or other interested parties wishing to communicate with the Board, the non-management directors or any individual director (including complaints or concerns regarding accounting, internal accounting controls or audit matters) may do so by contacting the Lead Director either:

by mail, addressed to BD Lead Director, P.O. Box 264, Franklin Lakes, New Jersey 07417-0264;

by calling the BD Ethics Help Line, an independent toll-free service, at 1-800-821-5452 (callers from outside North America should use AT&T Direct to reach AT&T in the U.S. and then dial the above toll-free number); or

by email to ethics_office@bd.com.

All communications will be kept confidential and promptly forwarded to the Lead Director, who shall, in turn, forward them promptly to the appropriate director(s). Such items that are unrelated to a director's duties and

responsibilities as a Board member may be excluded by our corporate security department, including, without limitation, solicitations and advertisements, junk mail, product-related communications, job referral materials and resumes, surveys, and material that is determined to be illegal or otherwise inappropriate.

Table of Contents

CORPORATE GOVERNANCE

Corporate Governance Principles

BD's commitment to good corporate governance is embodied in our Principles. The Principles set forth the Board's views and practices regarding a number of governance topics, and the Governance Committee assesses the Principles on an ongoing basis in light of current practices. The Principles are available on BD's website at www.bd.com/investors/corporate_governance/. Printed copies of the Principles may be obtained, without charge, by contacting the Corporate Secretary, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, phone 201-847-6800.

Board leadership structure

The Board's goal is to achieve the best board leadership structure for effective oversight and management of BD's affairs. The Board believes that there is no single, generally accepted approach to providing board leadership, and that each possible leadership structure must be considered in the context of the individuals involved and the specific circumstances facing a company. Accordingly, what the Board believes is the right board leadership structure may vary as circumstances warrant.

At the present time, the Board believes that the most effective leadership structure for BD is for our CEO to also serve as Chairman. The Board believes this combined role allows one person to speak for and lead the company and the Board, creates clear lines of authority and accountability, and provides the necessary leadership to execute BD's strategy. Mr. Forlenza's over 36 years of experience at BD and knowledge of our complex businesses, along with his extensive industry expertise, also make him uniquely qualified to lead the Board on the most important issues facing BD.

At the same time, the Principles provide for the appointment of a Lead Director from among the independent directors whenever the Chairman is not independent. The Lead Director role allows the non-management directors to provide effective, independent Board leadership and oversight of management. Marshall O. Larsen has served as Lead Director since January 2015.

Under the Principles, the Lead Director:

presides over all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors, and at such other times as the Board deems appropriate,

has the authority to call meetings of the independent directors,

approves Board meeting agendas and information provided to the Board,

approves Board meeting schedules to ensure that there is sufficient time for discussion of all agenda items,

coordinates the evaluation of the performance of the CEO by the non-management directors,

serves as a liaison between the non-management members of the Board and the Chairman, and as a contact person to facilitate communications by BD's employees, shareholders and others with the non-management members of the Board, and

if requested by major shareholders, ensures that he or she is available for consultation and direct communication.

The Board believes that having an independent Lead Director provides independent oversight of management, including risk oversight, while avoiding the risk of confusion regarding the Board's oversight responsibilities and the day-to-day management of the business. As such, this structure provides independent Board leadership and engagement, while deriving the benefit of having the CEO also serve as Chairman.

Table of Contents**Board oversight of risk**

General. BD's management engages in a process referred to as enterprise risk management (ERM) to identify, assess, manage and mitigate a broad range of risks across BD's businesses, regions and functions, and to ensure alignment of our risk assessment and mitigation efforts with BD's corporate strategy. The Audit Committee, through the authority delegated to it by the Board, is primarily responsible for overseeing BD's ERM activities to determine whether the process is functioning effectively and is consistent with BD's business strategy. At least twice a year, senior management reviews the results of its ERM activities with the Audit Committee, including the process used within the organization to identify risks, management's assessment of the significant categories of risk faced by BD (including any changes in such assessment since the last review), and management's plans to mitigate potential exposures. On at least an annual basis, the significant risks identified through BD's ERM activities and the related mitigation plans are reviewed with the full Board. Particular risks are then often reviewed in-depth with the Audit Committee or the full Board at subsequent meetings.

In addition, the full Board reviews the risks associated with BD's strategic plan and discusses the appropriate levels of risk in light of BD's business objectives. This is done through an annual strategy review process, and from time to time throughout the year as part of the Board's ongoing review of corporate strategy. The full Board also regularly oversees other areas of potential risk, including BD's capital structure, acquisitions and divestitures, and succession planning for BD's CEO and other members of senior management.

The various Committees of the Board are also responsible for monitoring and reporting to the full Board on risks associated with their respective areas of oversight. The Audit Committee, among other things, oversees BD's accounting and financial reporting processes and the integrity of BD's financial statements, BD's processes regarding compliance with laws, and its hedging activities and insurance coverages. The Compensation Committee oversees risks associated with BD's compensation practices and programs, the SMIT Committee reviews risks relating to our innovation and product development activities, and the Governance Committee oversees risks relating to BD's corporate governance practices, including director independence, related person transactions and conflicts of interest. In connection with its oversight responsibilities, each Committee often meets with the members of management who are primarily responsible for the management of risk in their respective areas, including, among others, BD's Chief Financial Officer, Chief Human Resource Officer, Chief Medical Officer, General Counsel, and senior regulatory, IT, R&D and compliance officers.

Risk assessment of compensation programs. With respect to our compensation policies and practices, BD's management has reviewed our policies and practices to determine whether they create risks that are reasonably likely to have a material adverse effect on BD. In connection with this risk assessment, management reviewed the design of BD's compensation and benefits programs (in particular, our performance-based compensation programs) and related policies, potential risks that could be created by the programs, and features of our programs and corporate governance generally that help to mitigate risk. Among the factors considered were the mix of cash and equity compensation, and of fixed and variable compensation, paid to our associates; the balance between short- and long-term objectives in our incentive compensation; the performance targets, mix of performance metrics, vesting periods, threshold performance requirements and funding formulas related to our incentive compensation; the degree to which programs are formulaic or provide discretion to determine payout amounts; caps on payouts; our clawback and share ownership policies; and our general governance structure. Based on this review, we believe that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on BD.

Director nomination process***Role of the Governance Committee***

The Governance Committee reviews potential director candidates and recommends nominees for director to the full Board for its consideration. In making its recommendations, the Governance Committee assesses the overall composition of the Board, including diversity, skills, background, experience and prominence in areas of

Table of Contents

importance to BD. The Board seeks to achieve among its members a diversity of viewpoint, experience, knowledge, ethnicity and gender that fits the needs of the Board at that particular time.

It is the Governance Committee's policy to consider referrals of prospective director nominees for the Board from other Board members and management, as well as shareholders and other external sources, such as retained executive search firms. The Governance Committee seeks to identify a diverse range of qualified candidates, including, without limitation, women and minority candidates. The Governance Committee utilizes the same criteria for evaluating candidates, irrespective of their source.

The Governance Committee has from time to time used a search firm to assist in its efforts to identify and evaluate potential candidates for director. The role of the search firm is to identify a pool of potential director candidates based on the specifications provided by the Governance Committee, and evaluate candidates recommended by other members of the Board or management. The firm reviews the potential candidates with the Governance Committee, performs outreach to candidates selected from the pool to assess interest and availability, conducts reference and background checks and arranges candidate interviews with members of the Governance Committee and our CEO.

When considering potential director candidates, the Governance Committee will seek individuals with backgrounds and qualities that, when combined with those of BD's other directors, provide a blend of skills and experience that will further enhance the Board's effectiveness. The Governance Committee believes that any nominee for director must meet the following minimum qualifications:

Candidates should be persons of high integrity who possess independence, forthrightness, inquisitiveness, good judgment and strong analytical skills.

Candidates should demonstrate a commitment to devote the time required for Board duties, including, but not limited to, attendance at meetings.

Candidates should be team-oriented and committed to the interests of all shareholders as opposed to those of any particular constituency.

The Governance Committee assesses the characteristics and performance of incumbent director nominees against the above criteria as well, and, to the extent applicable, considers the impact of any change in the principal occupations of such directors during the last year. To aid in this process, the Governance Committee solicits feedback from all the other directors on the Board. Upon completion of its assessment, the Governance Committee reports its recommendations for nominations to the full Board.

Shareholder recommendations

To recommend a candidate for consideration, a shareholder should submit a written statement of the qualifications of the proposed nominee, including full name and address, to the Corporate Secretary, Becton Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880.

Proxy access nominations

BD has a proxy access by-law, which permits eligible shareholders to nominate candidates for the BD Board for inclusion in BD's proxy statement and proxy card. Our proxy access by-law provides that a shareholder, or a group of up to 20 shareholders, owning 3% or more of BD's outstanding common stock for at least three years, can nominate up to two individuals or 20 percent of the Board, whichever is greater, for election at an annual shareholders meeting, if the shareholder(s) and the nominee(s) meet the relevant requirements in our By-laws.

Other significant governance practices

Described below are some of the other significant corporate governance practices that have been instituted by the BD Board.

Table of Contents

Annual election of directors

BD's directors are elected annually. The Board believes that annual elections of directors reflect a corporate governance best practice, as it provides shareholders the opportunity to express their views on the performance of the entire Board each year.

Voting for directors

Under our By-Laws, in uncontested elections (where the number of nominees does not exceed the number of directors to be elected), nominees for director must receive the affirmative vote of a majority of the votes cast in order to be elected to the Board. Any incumbent director who receives a greater number of votes against the director's election than votes for such election is required to offer to submit his or her resignation to the Board following the shareholder vote. The Governance Committee will consider and recommend to the Board whether to accept the resignation offer. The Board will act on such recommendation and publicly disclose its decision within 90 days following the shareholder vote. This structure allows the Board the opportunity to identify and assess the reasons for the vote, including whether the vote is attributable to dissatisfaction with a director's overall performance or is the result of shareholder views on a particular issue, and enables the Board to avoid undesirable and disruptive governance consequences.

Board self-evaluation

The Board believes a rigorous self-evaluation process is important to the ongoing effectiveness of the Board. To that end, each year the Board conducts a self-evaluation of its performance. As part of this process, each director completes an evaluation form on specific aspects of the Board, including the Board's composition, the culture of the Board, committee structure, the Board's relationship with management, Board meetings and the Board's oversight of strategy, risk and other aspects of BD's business. A complete list of the areas covered by the Board evaluation is available on BD's website at www.bd.com/investors/corporate_governance. The collective responses are then presented by the chair of the Governance Committee to the full Board. As part of the evaluation, the Board assesses the progress in the areas targeted for improvement a year earlier, and develops actions to be taken to enhance the Board's effectiveness over the next year. In recent years, Board self-evaluations have led to, among other things, changes designed to improve the efficiency of our Board meetings, and to enhance our director continuing education program and our onboarding process for new directors. Additionally, each Committee conducts an annual self-evaluation of its performance through a similar process.

Equity ownership by directors

The Board believes that directors should hold meaningful equity ownership positions in BD. To that end, a significant portion of non-management director compensation is in the form of restricted stock units. The Board believes that these equity interests help to better align the interests of the non-management directors with our shareholders. Under the Board's share ownership guidelines, each non-management director is required to own shares of common stock (which includes restricted stock units) valued at five times the annual cash retainer and must comply with the guidelines within three years of joining the Board. All of our non-management directors have achieved the required share ownership or are within the three-year grace period.

Shareholder engagement

Our relationship with our shareholders and their views about BD are important to us, and the Board recognizes the value of director engagement with BD's major shareholders. To that end, the Board has established a process by which

shareholders can request direct engagement with our non-management directors regarding executive compensation, corporate governance, board and CEO succession, risk management oversight and other matters within the purview of the Board. This process can be found on our website at www.bd.com/investors/corporate_governance/. The Board may also initiate direct communications with BD shareholders at any time, in its discretion.

Table of Contents

Annual Report of Charitable Contributions

In furtherance of BD's commitment to good governance and disclosure practices, the Principles require that BD's charitable contributions or pledges in an aggregate amount of \$50,000 or more in any fiscal year (not including contributions under BD's Matching Gift Program) to entities with which BD's directors and executive officers, or their families, are affiliated must be approved by the Governance Committee. In addition, BD posts on its website, at www.bd.com/investors/corporate_governance/, an Annual Report of Charitable Contributions (the Contributions Report) listing all contributions and pledges made by BD during the preceding fiscal year in an amount of \$10,000 or more to organizations affiliated with any director or executive officer. The Contributions Report includes a discussion of BD's contributions philosophy and the alignment of BD's philanthropic activities with this philosophy.

Enterprise compliance

Under the oversight of the Audit Committee, BD's enterprise compliance function seeks to ensure that BD has policies and procedures designed to prevent and detect violations of the many laws, regulations and policies affecting our business, and that BD continuously encourages lawful and ethical conduct. BD's enterprise compliance function supplements the various compliance and ethics functions that are also in place at BD, and seeks to ensure better coordination and effectiveness through program design, prevention, and promotion of an organizational culture of compliance. A committee comprised of members of senior management oversees these activities. Another key element of this program is training. This includes a global on-line compliance training program focused on BD's Code of Conduct, as well as other courses covering various compliance topics such as antitrust, anti-bribery, conflicts of interest, financial integrity, industry marketing codes and information security.

Political contributions

We prohibit the use of BD corporate funds to support any candidate, political party, ballot measure or referendum campaign, unless an exception is approved by the CEO and the General Counsel. To date, no exceptions have been sought or approved. If an exception is approved, it may only be granted without regard to the personal political affiliations or views of any individual BD associate at any level across the organization.

As permitted under U.S. law, BD operates a political action committee. The BD PAC is a mechanism to enable eligible U.S. associates to voluntarily support candidates for elected office who share BD's perspectives and approaches to public policy issues. BD provides administrative support to the PAC, as permitted under federal law.

In all cases, BD policy prohibits directors and employees from using company resources to promote their personal political views, causes or candidates, and specifies that the company will not directly or indirectly reimburse any personal political contributions or expenses.

BD is a member of numerous trade associations that provide a venue for the medical technology sector to work together to advocate its position on issues that impact our industry. In the U.S., the major associations of which BD is a member include AdvaMed and AdvaMedDx, the Healthcare Institute of New Jersey and the California Life Sciences Association. We have informed our major U.S. trade associations that they are not permitted to use any BD fees to support any candidate, political party, ballot measure or referendum campaign, unless approved by BD's CEO and General Counsel.

Table of Contents**Director independence; Policy regarding related person transactions*****Director independence***

Under the NYSE rules and our Principles, a director is deemed not to be independent if the director has a direct or indirect material relationship with BD (other than his or her relationship as a director). The Governance Committee annually reviews the independence of all directors and nominees for director and reports its findings to the full Board. To assist in this review, the Board has adopted director independence guidelines (Independence Guidelines) that are contained in the Principles. The Independence Guidelines set forth certain categories of relationships (and related dollar thresholds) between BD and directors and their immediate family members, or entities with which they have a relationship, which the Board, in its judgment, has deemed to be either material or immaterial for purposes of assessing a director's independence. In the event that a director has any relationship with BD that is not addressed in the Independence Guidelines, the independent members of the Board review the facts and circumstances to determine whether such relationship is material. The Independence Guidelines are contained in Principle No. 7.

The Board has determined that the following director nominees are independent under the NYSE rules and our Independence Guidelines: Catherine M. Burzik, R. Andrew Eckert, Claire M. Fraser, Christopher Jones, Marshall O. Larsen, Gary A. Mecklenburg, David F. Melcher, Willard J. Overlock, Jr., Claire Pomeroy, Rebecca W. Rimel, Timothy M. Ring, and Bertram L. Scott. The Board also determined that Basil L. Anderson and James F. Orr, each of whom is retiring from the Board at the conclusion of the 2018 Annual Meeting, are independent under the NYSE rules and our Independence Guidelines. Vincent A. Forlenza is an employee of BD and, therefore, is not independent under the NYSE rules and the Independence Guidelines.

In determining that each of these directors is independent, the Board reviewed BD's transactions or other dealings with organizations with which a director may have a relationship, such as service by the director as an employee of the organization or as a member of a governing or advisory board of the organization. Based on its review, the Board determined that, in each instance, the nature of the relationship, the degree of the director's involvement with the organization and the amount involved was such that it would not constitute a material relationship or otherwise impair the director's independence.

The types of transactions with director-affiliated organizations considered by the Board consisted of the purchase or sale of products and/or services (in the cases of Anderson, Burzik, Eckert, Fraser, Jones, Larsen, Mecklenburg, Pomeroy and Scott), the licensing of intellectual property rights (in the cases of Fraser, Jones and Overlock) and charitable contributions (in the case of Jones).

Related person transactions

The Board has also established a written policy (the Policy) requiring approval or ratification of transactions involving more than \$120,000 per year in which a director, executive officer or shareholder owning more than 5% of BD's stock (excluding certain passive investors) or their immediate family members has, or will have, a material interest. The Policy is available on BD's website at www.bd.com/investors/corporate_governance/. The Policy excludes certain specified transactions, including certain charitable contributions and transactions available to BD associates generally. The Governance Committee is responsible for the review and approval or ratification of transactions subject to the Policy. The Governance Committee will approve or ratify only those transactions that it determines in its business judgment are fair and reasonable to BD and in (or not inconsistent with) the best interests of BD and its shareholders, and that do not impact the director's independence. There were no transactions involving BD's executive officers or directors, shareholders, or their immediate families, in 2017 that were subject to the Policy.

Table of Contents

Code of Conduct

BD maintains a Code of Conduct that is applicable to all directors, officers and associates of BD, including its CEO, Chief Financial Officer, principal accounting officer and other senior financial officers. It sets forth BD's policies and expectations on a number of topics, including conflicts of interest, confidentiality, compliance with laws (including insider trading laws), preservation and use of BD's assets, and business ethics. The Code of Conduct also sets forth procedures for the communicating and handling of any potential conflict of interest (or the appearance of any conflict of interest) involving directors or executive officers, and for the confidential communication and handling of issues regarding accounting, internal control and auditing matters.

BD also maintains an Ethics Help Line telephone number (the Help Line) for BD associates as a means of raising concerns or seeking advice. The Help Line is serviced by an independent contractor and is available to all associates worldwide. Associates using the Help Line may choose to remain anonymous and all inquiries are kept confidential to the extent practicable in connection with the investigation of an inquiry. All Help Line inquiries are forwarded to BD's Chief Ethics and Compliance Officer for investigation. The Audit Committee is informed of any matters reported to the Chief Ethics and Compliance Officer, whether through the Help Line or otherwise, involving accounting, internal control or auditing matters, or any fraud involving management or persons who have a significant role in BD's internal controls.

In addition to the Help Line, BD's ethics program provides for broad communication of BD's Core Values, associate education regarding the Code of Conduct and its requirements, and ethics training sessions.

Any waivers from any provisions of the Code of Conduct for executive officers and directors will be promptly disclosed to shareholders. In addition, certain amendments to the Code of Conduct, as well as any waivers from certain provisions of the Code of Conduct given to BD's CEO, Chief Financial Officer or principal accounting officer, will be posted at the website address set forth below.

The Code of Conduct is available on BD's website at www.bd.com/investors/corporate_governance/. Printed copies of the Code of Conduct may be obtained, without charge, by contacting the Corporate Secretary, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, phone 201-847-6800.

Table of Contents

**REPORT OF THE COMPENSATION
AND MANAGEMENT DEVELOPMENT COMMITTEE**

The primary objective of the BD compensation program is to fully support the strategic business goal of delivering superior long-term shareholder returns through sustained revenue growth, earnings per share growth, return on capital and other metrics. As such, we intend to ensure a high degree of alignment between pay and the long-term value and financial soundness of BD. The Compensation Committee has established the following compensation principles to meet this objective:

Aligning the interests of executives and shareholders

Through equity compensation and equity ownership guidelines for executives, we seek to align the interests of executives with those of BD's shareholders. This represents the largest portion of our compensation structure in terms of target value.

Linking rewards to performance

We maintain a pay-for-performance philosophy based on actual performance against clear, measurable company performance targets, particularly those metrics that support the creation of long-term shareholder value.

Delivering superior business and financial results

Performance targets are set to reward executives for achieving short- and long-term results in line with our objective of enhancing long-term shareholder value. In setting short-term goals and in rewarding performance, we will take care to ensure that we do not create incentives to take inappropriate risks.

Offering a competitive compensation structure

We have established and intend to maintain a competitive structure that supports the recruitment and retention of high-performance executives essential to driving the business results required to execute our strategy and create long-term value for shareholders. This structure is determined, in part, by evaluating peer group data which is provided and analyzed by the Compensation Committee's independent consultant, Pay Governance.

Maintaining a transparent compensation structure

The Compensation Committee strives to provide absolute transparency to executives, employees and shareholders of all aspects of BD's compensation and benefits structure. This includes disclosure of performance targets, payout formulas, details of other earned benefits and the Compensation Committee's use of discretion in determining award payouts.

Maintaining Compensation Committee independence

The Compensation Committee is made up exclusively of independent directors and utilizes an independent compensation consultant, Pay Governance, which, by Compensation Committee policy, is prohibited from performing any services for BD or its management without the Compensation Committee's prior approval.

Retaining prerogative to adjust programs

The Compensation Committee retains the prerogative to change or modify BD's compensation and benefit programs to reflect prevailing economic, market or company financial conditions.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2017 and in this proxy statement.

COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

Marshall O. Larsen Chair

Basil L. Anderson

Gary A. Mecklenburg

James F. Orr

Bertram L. Scott

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses our executive compensation program and the compensation actions taken with respect to the persons named in the Summary Compensation Table (who we refer to as the named executive officers) on page 42. All references in this section to years are references to our fiscal year, which ends on September 30, unless otherwise noted.

In this section, when discussing our financial performance for the year and awards under our Performance Incentive Plan (the PIP), we refer to certain financial measures that do not conform to generally accepted accounting principles (GAAP). **Appendix A to this proxy statement contains reconciliations of these non-GAAP measures to the comparable GAAP financial measures.**

Executive Summary

Compensation objectives

Our goal is to provide an executive compensation program that best serves the long-term interests of our shareholders. We believe that attracting and retaining superior talent and rewarding performance is key to delivering long-term shareholder returns, and that a competitive compensation program is critical to that end. Therefore, we strive to provide a competitive compensation package to our executives that ties a significant portion of pay to performance and uses components that align the interests of our executives with those of BD's shareholders.

Our compensation practices

The following is a summary of important aspects of our executive compensation program discussed later in this section.

Balanced mix of pay components and incentives. We target a balanced mix of cash and equity compensation, and of annual and long-term incentives. The key elements of our program are salary, annual cash incentives under the PIP and long-term equity compensation consisting of stock appreciation rights (SARs), stock-settled performance-based units (Performance Units), and time-vested units (TVUs).

Significant performance-based compensation tied to business strategy. We emphasize pay-for-performance to align executive compensation with the execution of our business strategy and the creation of long-term shareholder value.

Three-quarters of our CEO's target compensation in 2017 was performance-based.

We use performance metrics that are aligned with and support BD's business strategy.

While we emphasize at risk pay tied to performance, we believe our program does not encourage excessive risk-taking by management.

Share retention guidelines and policy against pledging/hedging. Our executives are subject to robust share retention and ownership guidelines and are prohibited from pledging BD shares or hedging against the economic risk of their ownership.

Limited perquisites and no employment agreements. We offer our named executive officers very limited perquisites, and none of them have employment agreements.

Clawback policy. We have a compensation recovery policy that gives the Board the authority to recover incentive compensation paid to senior management in the event of a restatement of our financial statements resulting from misconduct.

Table of Contents

Change in control agreements. We have double-trigger change in control agreements with our named executive officers to provide continuity of management in the event of an actual or potential change in control of BD. We have adopted a policy of eliminating excise tax gross-ups from future change in control agreements. Equity compensation awards made after January 1, 2015 also have a double-trigger accelerated vesting provision.

Use of independent consultant. The Compensation Committee uses an independent consultant to assist it in designing our compensation program and making compensation decisions. The independent consultant did not provide any services to BD or BD management in 2017, per the policy of the Compensation Committee.

Last year's say-on-pay vote

Approximately 94% of the shares voted at last year's annual meeting were cast in support of BD's advisory vote on named executive officer compensation. The Compensation Committee views the results of this vote as broad general shareholder support for our executive compensation program. Based on our say-on-pay vote and the Compensation Committee's ongoing benchmarking of our compensation policies and practices, the Compensation Committee believes that our compensation program effectively aligns the interests of our named executive officers with those of our shareholders and the long-term goals of BD. Accordingly, the Compensation Committee did not make any significant changes in 2017 as a result of last year's say-on-pay vote.

Changes to our program in 2017

During 2017, the Compensation Committee revised certain aspects of the PIP to better align plan incentives with our business strategy by increasing management focus on revenue growth. These changes included:

increasing the relative weighting of the revenue target from 25% to 40%,

raising the threshold performance level required to provide funding for the revenue target from 90% to 96% of target, and

revising the PIP funding formula to increase the funding resulting from above-target revenue performance (and, conversely, decrease funding in instances of below-target performance).

We believe sustained revenue growth is a priority for our investors, and that these changes better align the PIP with the interests of our shareholders.

2017 operating performance and executive compensation decisions

Operating performance

While our reported revenues of approximately \$12.1 billion declined 3.1%, this primarily reflects the impact of the divestiture of our Respiratory Solutions business at the start of the fiscal year. After adjusting for divestitures and currency translation, our revenues grew 4.5%, in line with our expectations for the year.

Reported diluted earnings per share (EPS) were \$4.60, an increase of 2.4%. After adjusting for acquisition-related charges and certain other items, EPS was \$9.48, which represents 10.4% growth, or 13.2% on a currency-neutral basis.

We signed an agreement to acquire Bard, a leader in the fields of vascular, urology, oncology and surgical specialty products. The pending acquisition will uniquely position BD to improve both the process of care and the treatment of disease for patients and healthcare providers.

In connection with the financing of the Bard transaction, we successfully executed the public sale of approximately \$5 billion in equity securities and nearly \$10 billion in senior notes on favorable terms.

Table of Contents

We reached \$250 million in annualized cost savings on a cumulative basis relating to the CareFusion transaction through the end of 2017, and remain on track to achieve \$350 million in total annualized cost synergies by the end of 2018.

We continued to drive significant underlying operating margin expansion as a result of operating efficiencies, cost leverage, and cost synergy capture.

Cash flows remained strong, at approximately \$2.8 billion, and we increased our dividend for the 45th consecutive year.

Important transformational programs were implemented throughout the company, including a change in the business model for our dispensing business (which we refer to as Project TraCE), a new global supply chain organization, plant rationalization and executive development programs.

Compensation decisions

Salary. Mr. Forlenza, our CEO, received a salary increase during the year from \$1,120,000 to \$1,165,000 in order to keep his salary competitive with the median of peer companies. The other named executive officers received salary increases that were in line with increases at BD generally. Mr. Polen's salary was increased from \$728,000 to \$825,000 upon his being named BD's President in April 2017.

PIP awards. For 2017, we exceeded target performance for all three PIP performance measures—adjusted earnings per share, revenue and free cash flow—resulting in available funding for PIP awards at 109% of target. The PIP award made to Mr. Forlenza was 110% of his target award, and awards ranged from 109% to 142% of target for our other named executive officers, as discussed below. We believe that the 2017 PIP awards appropriately reflect the individual contributions of our executive officers to BD's strong financial performance during the year, as well as their efforts relating to the execution of the agreement to acquire Bard, the ongoing successful integration of CareFusion, and the progress made on important strategic initiatives at BD.

Equity compensation. Consistent with our past practice, equity compensation represented a significant component of total compensation in 2017. Among the changes in equity compensation awards in 2017 was an increase in Mr. Polen's total award value, which was made in anticipation of his being named BD's President later in the fiscal year.

Objectives of Our Executive Compensation Program

The objectives of our executive compensation program include:

Aligning the interests of our executives with our shareholders through equity compensation and share retention guidelines.

Driving superior business and financial results by setting clear, measurable short- and long-term performance targets that support our strategy and the creation of long-term shareholder value, while at the same time taking care to ensure that our executives are not incentivized to take inappropriate risks.

Maintaining a pay-for-performance philosophy by tying a significant portion of pay to performance against our performance targets.

Offering competitive compensation that helps attract and retain high-performing executives who are essential to executing our strategy and creating long-term value for our shareholders.

In administering the program, the Compensation Committee seeks to provide transparency to BD executives and associates and to our shareholders of all aspects of BD's compensation and benefits structure. This includes disclosure of performance targets and payout formulas, the benefits provided under the program, and the Compensation Committee's use of discretion in determining award payouts.

Table of Contents**How We Set Executive Compensation****The role of the Compensation Committee, its consultant and management**

The Compensation Committee oversees the compensation program for our executive officers. The Compensation Committee recommends compensation actions regarding the CEO for approval by the independent members of the Board, and sets the compensation of the other named executive officers. The Compensation Committee is assisted in fulfilling its responsibilities by its independent consultant, Pay Governance, and BD's senior management. Additional information about our process for setting executive compensation, including the roles of Pay Governance and management, is found on pages 12-13.

In order to maintain the independence of its outside consultant, the Compensation Committee has established a policy that prohibits its consultant from performing any services for BD or BD's management without the Compensation Committee's prior approval. In accordance with this policy, Pay Governance did not perform services for BD or BD management in 2017.

The use of market comparison data

The Compensation Committee considers a number of factors in structuring our program, determining pay components and making compensation decisions. This includes the compensation practices of select peer companies in the healthcare industry, which we refer to as the Comparison Group. These companies were chosen by the Compensation Committee after considering the recommendations of Pay Governance and management, and were selected because they have significant lines of business that are similar to BD's, are of comparable size in revenue and market capitalization, and are companies that we believe we compete with for executive talent. The Compensation Committee reviews the composition of the Comparison Group at least annually. The companies in the Comparison Group for 2017 are below.

Comparison Group

Agilent Technologies, Inc.	Medtronic plc
Allergan plc	PerkinElmer, Inc.
C.R. Bard, Inc.	Stryker Corporation
Baxter International Inc.	Thermo Fisher Scientific Inc.
Boston Scientific Corporation	Zimmer Biomet Holdings, Inc.

If the sample size from the Comparison Group is not large enough, data from a secondary peer group or, more broadly, general industry data may be used. Companies in the secondary peer group vary each year, depending on survey participation, and are selected based on similarities of industry and company size. The Comparison Group data was used for each named executive officer for each component of our compensation program in 2017. In addition, secondary peer group data was used in setting pay levels for Mr. Conroy and general industry data was consulted in setting Mr. Polen's pay.

Comparison Group Data

	Revenue for the twelve months ended September 30, 2017 (in millions)	Market capitalization on September 30, 2017 (in millions)
25 th Percentile	\$ 5,240	\$ 23,387
Median	\$ 9,499	\$ 37,108
75 th Percentile	\$ 14,289	\$ 64,668
BD	\$ 12,158	\$ 44,591
BD Percentile Rank	67%	59%

Table of Contents

We attempt to set the compensation of the named executive officers at levels that are competitive with the compensation (salary, annual cash incentive and equity compensation) paid to persons holding the same or similar positions at the companies listed above, using available market comparison data regarding these companies as a guide. The Compensation Committee (and the independent directors, as a group, in the case of our CEO) generally seek to set the compensation of our named executive officers for each of these elements within a competitive range of the median of this group, assuming payout of performance-based compensation at target. The use of market comparison data, however, is just one of the tools used to determine executive compensation, and the Compensation Committee and the independent directors retain the flexibility to set target compensation at levels deemed appropriate for an individual or for a specific element of compensation. Based on the market data provided by Pay Governance, the Compensation Committee believes that the total target compensation set for the named executive officers in 2017 generally approximated median competitive levels.

Because each compensation element is reviewed individually, compensation decisions made with respect to one element of compensation generally do not affect decisions made with respect to other elements. It is also for this reason that no specific formula is used to determine the allocation between cash and equity compensation, although it is the Compensation Committee's intent that equity compensation represent the largest portion of total target compensation. In addition, because an executive's compensation target is set by reference to persons with similar duties at peer companies, we do not establish any fixed relationship between the amount of compensation paid to our CEO and that paid to the other named executive officers.

The use of tally sheets

The Compensation Committee is from time-to-time provided a tally sheet report prepared by management for each named executive officer. The tally sheet includes, among other things, total annual compensation, the value of unexercised or unvested equity compensation awards, and amounts payable upon termination of employment under various scenarios, including retirement or following a change in control. The Compensation Committee uses tally sheets to provide additional perspective on the value the executives have accumulated from prior equity awards and plan accruals and their retentive value.

Table of Contents**The Key Elements of Our Compensation Program**

The key elements of our executive compensation program are summarized in the table below.

Component	Description	Purpose
Base salary	Fixed cash compensation based on performance, scope of responsibilities, experience and competitive pay practices.	Provide a fixed, baseline level of compensation.
PIP	Annual variable cash payment tied to performance during the fiscal year.	Drive business performance on an annual basis.
Long-term equity compensation:		Reward individual contributions to BD's performance.
SARs	Exercisable for shares based on difference between exercise price and BD stock price. SARs vest over four years and have a 10-year term.	Increase executive ownership to align interests with shareholders.
Performance Units	Performance-based restricted stock units, with payout tied to BD's performance over three-year performance period.	Promote executive retention. Drive long-term, sustained business performance.
TVUs	Restricted stock units that vest in three annual installments.	Reward creation of shareholder value.

Our Emphasis on Pay-for-Performance**Performance-based compensation**

The compensation of our named executive officers is weighted towards performance-based compensation, where the actual amount received varies based on company and individual performance. The charts below show the performance-based portion of 2017 target compensation paid to Mr. Forlenza and the other named executive officers.

2017 Total Target Compensation*

* *Actual amounts received (and the percentage of total compensation coming from performance-based compensation) may differ from target amounts based on performance and BD's stock price.*

Table of Contents

Performance-based compensation includes PIP awards, Performance Units and SARs, while Fixed compensation includes salary and TVUs. We consider SARs performance-based compensation because they require stock price appreciation to deliver value to an executive.

How our performance metrics support BD's business strategy

BD remains focused on delivering sustainable growth and shareholder value, while making appropriate investments for the future. BD management operates the business consistent with the following core strategies:

Increasing revenue growth by focusing on our core products, services and solutions that deliver greater benefits to patients, healthcare workers and researchers;

Investing in research and development for platform extensions and innovative new products;

Growing our operations in emerging markets;

Improving operating effectiveness and balance sheet productivity; and

Driving an efficient capital structure and strong shareholder returns.

The Compensation Committee believes it is important that our compensation program reinforce and reward behaviors that support these business objectives. In addition, the Compensation Committee believes executive compensation should be based in part on how BD's performance compares to peer companies facing the same market conditions as BD. These considerations inform the Compensation Committee's selection of the performance measures for BD's performance-based compensation.

Table of Contents**Performance Period and Metrics for****Performance-based Compensation**

1 Year	3 years	10 years
<u>PIP Awards</u> Adjusted EPS*	<u>Performance Units</u> Average ROIC	<u>SARs</u> Stock price appreciation
Revenues*	Relative TSR	

Free cash flow as a percentage of sales*

* *Adjusted by eliminating the effect of unbudgeted currency fluctuations.*

PIP. We evaluate corporate performance under the PIP using the following metrics:

Adjusted EPS. Adjusted EPS is our GAAP EPS less acquisition-related purchase accounting adjustments and finance, integration, restructuring and transaction costs. We use Adjusted EPS because it is the primary basis on which BD sets performance expectations for the year and earnings is a widely-used measure of overall company performance. The use of Adjusted EPS is consistent with how we report our operating results to the financial community.

Revenue. Revenue measures BD's ability to innovate and compete in the global marketplace. This measure focuses management on achieving strong top-line growth, consistent with our business strategy.

Free cash flow as a percentage of sales. This metric recognizes the importance of the efficient use of cash to our ability to fund ongoing investments in our business, including product development, innovation and geographic expansion. Free cash flow means cash flow from our operating activities, less capital expenditures and capitalized software.

Together, these three measures provide a balanced set of performance targets that focus on growth, profitability and operating efficiency.

Adjusted EPS and revenue are each weighted 40%, and the free cash flow metric is weighted 20%. This represents a change from 2016, where Adjusted EPS was weighted 50% and the revenue and free cash flow metrics were each weighted 25%. The Compensation Committee made this change to better align incentives under the PIP with our business strategy by increasing management focus on revenue growth.

When measuring actual performance against the targets, adjustments are made to account for the impact of foreign currency exchange rates in effect during the year, whether favorable or unfavorable to BD, compared to the rates we budgeted when the targets were set. We eliminate this impact of foreign currency translation so that only BD's

underlying performance is considered in determining PIP awards.

Equity compensation. Equity compensation links executive compensation to BD's performance against three-year performance goals and stock price appreciation. Two metrics are used to measure performance under the Performance Units, each weighted 50%:

Average return on invested capital (ROIC). This metric measures profitability and how effectively company assets are being used. This metric requires our executives to effectively manage a number of different aspects of the business, including new product introductions, productivity improvements and geographic expansion.

Relative total shareholder return (TSR). This metric measures BD's stock performance (assuming reinvestment of dividends) during the performance period against that of a group of 13 companies in the healthcare industry (the TSR Group). This measure compares BD's performance, as reflected in our stock price over time, to peer companies facing similar business conditions and is directly tied to shareholder returns. The TSR Group is broader than the Comparison Group used for compensation market data in order to reduce the volatility in relative performance that can come from using a relatively smaller number of companies.

Table of Contents

How performance goals are set

The Compensation Committee considers BD's business plan and the environment in which BD is operating when setting performance targets for the PIP and Performance Units. The healthcare industry continues to face challenges, and the Compensation Committee seeks to reward what it deems to be superior performance by management in light of current industry conditions and growth trends. The Compensation Committee sets what it believes are reasonably achievable performance targets for BD at the time, in light of the BD operating plans reviewed by the Board, and structures payouts so that they are aligned with BD's performance against those targets.

Our risk analysis of performance-based compensation

While a significant portion of our executive compensation is performance-based, we do not believe that our program encourages excessive or unnecessary risk-taking. While risk-taking is a necessary part of operating and growing a business, the Compensation Committee focuses on aligning BD's compensation practices with BD's long-term strategy and attempts to avoid short-term rewards for management decisions that could pose long-term risks to BD. This includes:

Limits on PIP awards. We do not overweight short-term incentives as a proportion of total pay. PIP awards are also capped at 200% of an executive's target award to protect against disproportionately large short-term incentives, and the Compensation Committee has the discretion to set PIP awards based on any factors it deems appropriate, including whether management has taken unnecessary or excessive risk.

Share retention and ownership guidelines. Our share retention and ownership guidelines ensure that our executives have a significant amount of their personal assets tied to the long-term success of BD, and we have a policy prohibiting pledging BD shares or hedging against the economic risk of their ownership.

Use of long-term equity compensation. The largest portion of the compensation paid to our named executive officers is long-term equity compensation that vests over a period of years, which encourages our executives to focus on sustaining BD's long-term performance.

Use of Performance Units. A significant portion of executive equity compensation consists of Performance Units that have a three-year performance cycle. This focuses management on sustainable long-term performance. We also cap the payout of these awards at 200% of target.

Use of multiple performance metrics. We use a number of different performance metrics in our performance-based compensation, with no overlapping metrics among our different compensation components, so that undue weight is not given to any one metric.

PIP Awards

The PIP provides our executives an opportunity to receive a cash award for BD's performance for the fiscal year and their contribution to that performance, as part of our pay-for-performance philosophy.

Award targets

Target PIP awards for the named executive officers are expressed as a percentage of base salary earned during the year. The Grants of Plan-Based Awards in Fiscal Year 2017 table on page 45 shows the range of possible awards under the PIP for 2017, based on certain assumptions.

Table of Contents

The factors considered when setting actual PIP awards include BD's overall performance against the pre-set performance targets and the resulting available funding (discussed below), the executive's target award and the executive's individual performance. Our CEO's performance is measured against the individual goals for the year established by the independent directors. For our other executive officers, performance is measured against the performance objectives set for the businesses, regions or functions they oversee. In each case, the performance objectives for a named executive officer involve a combination of quantitative and qualitative goals. However, no specific formula or weighting of individual performance objectives is used to determine a named executive officer's PIP award, nor is the achievement of any particular individual performance objective a condition to receiving an award. Instead, the Compensation Committee and the independent directors use their business judgment to determine what it believes is an appropriate PIP award to recognize BD's performance and the executive's contribution to that performance.

Funding for awards

Available funding for PIP awards is determined by a formula. For each measure, the Compensation Committee reviews how BD performed against the target goal set by the Compensation Committee in order to arrive at a performance factor for that measure.

For the revenue target, for every 1% of performance above target, funding with respect to that measure is increased 22.5% above target (up to a maximum of 190%), and for every 1% below target, funding decreases 12.5% below target (to a minimum of 50%).

For the Adjusted EPS and free cash flow targets, for every 1% of performance above target, funding with respect to that measure is increased 5% above target (up to a maximum of 150%), and for every 1% below target, funding decreases 2.5% below target (to a minimum of 75% for Adjusted EPS and 50% for free cash flow).

Performance below 96% of target for revenues results in no funding for the revenue measure, while performance below 90% of the Adjusted EPS target and 80% of the free cash flow target, respectively, results in no funding for those measures.

The performance factors for the three measures are then weighted to arrive at an overall funding factor. Actual awards, as a percentage of a named executive officer's target, may be more or less than the overall funding factor.

When comparing BD's operating results to the performance targets, the Compensation Committee has the discretion to adjust BD's results to account for unbudgeted acquisitions and divestitures during the year, and for other unbudgeted items that are not considered part of our ordinary operations. This ensures that business decisions are made based on what management believes is in the best interests of BD, rather than the possible effects on compensation. It also ensures that our executives are not unfairly penalized by or rewarded for these types of events.

Equity Compensation Awards

We use a mix of equity compensation vehicles to promote the objectives of our program.

SARs reward executives for the creation of shareholder value over the term of the award.

Performance Units measure BD's performance over a three-year period and are intended to reward sustained long-term financial performance.

TVUs are the smallest portion of equity compensation and are used to reduce the volatility in amounts realized from equity compensation that can arise when purely performance-based equity compensation is used.

Because they are equity-based and subject to vesting, each award also serves to align the interests of our executives with those of our shareholders and to promote executive retention.

Table of Contents**Award values**

The Compensation Committee determines the total grant date dollar value of the equity compensation to be paid to a named executive officer. SAR, Performance Unit and TVU awards are then made to the executive based on their estimated grant date values, with SARs and Performance Units each making up approximately 40% of the total award value, and TVUs the remaining 20%, consistent with prior years. The values given to equity compensation awards are only estimates and actual amounts realized from these awards may differ from these estimated values.

Performance Unit payout formula

The performance measures used for the Performance Units are average annual ROIC and relative TSR, each weighted 50%. A payout factor for each measure is calculated to determine a final share payout, which can range anywhere from zero to 200% of target.

ROIC. The payout factor for ROIC performance is determined by a scale, with threshold performance set at 5% below the ROIC target (resulting in a 50% payout factor), and maximum performance set at 5% above target (resulting in a 200% payout factor). Performance below the threshold level results in a zero payout factor for the ROIC measure.

Relative TSR. The payout factor for relative TSR performance is determined by the following table:

BD's Percentile Rank	TSR Factor
385 th	200%
75 th	165%
50 th	100%
25 th	35%
Less than 25 th	0

If BD has a negative TSR for the performance period, the relative TSR factor is capped at 100%, regardless of where BD's TSR ranks within the TSR Group. The Compensation Committee believes that in instances where BD has a negative TSR, BD's executives should still be rewarded for superior relative TSR performance, but that it is appropriate that the payout be limited.

Similar to the PIP, the Compensation Committee has the discretion to adjust BD's average ROIC performance for acquisitions, divestitures and other unbudgeted items not considered part of our ordinary operations, and to remove companies from the TSR Group, or adjust the TSR of companies within the TSR Group or of BD, to account for acquisitions, mergers or other significant events, such as a change in capital structure.

2017 Compensation Actions

Below is a discussion of compensation actions taken in 2017 with respect to the named executive officers.

Salary adjustments

The base salaries of the named executive officers are reviewed each November, and any adjustments go into effect on January 1 of the following calendar year. Effective January 1, 2017, Mr. Forlenza's salary was

Table of Contents

increased from \$1,120,000 to \$1,165,000 in order to reward him for outstanding performance and to keep his salary competitive with the median of the Comparison Group. The other named executive officers received salary increases that were in line with increases at BD generally. Mr. Polen's salary was increased to from \$728,000 to \$825,000 upon his being named BD's President in April 2017.

PIP awards

The threshold performance, target performance and maximum performance for each metric under the PIP for 2017, along with BD's adjusted performance during the year, are set forth on the following table.

Performance Metric	Range of Performance			Adjusted Performance*	Percentage of Target Achieved	Funding Factor (rounded)
	Threshold	Target	Maximum			
Adjusted EPS (40%)	\$ 8.41	\$ 9.34	\$ 10.27	\$ 9.57	102.5%	43%
Revenues (40%) (in millions)	\$ 11,556	\$ 12,037	\$ 12,519	\$ 12,073	100.3%	45%
Free cash flow as % of sales (20%)	14.2%	15.8%	17.4%	16.0%	101.3%	21%
Total						109%

* For additional detail on how Adjusted Performance is calculated, see Appendix A.

The Adjusted EPS target represents an increase of 10.7% over adjusted 2016 EPS on a currency-neutral basis, while the revenue target represents an increase of 4.1% over adjusted 2016 revenues. These targets were set after taking into account the estimated impact for the year of the previously announced change in the business model of our dispensing business (Project TraCE), which we estimate negatively impacted earnings growth for the year by approximately 2% and revenue growth by approximately 0.5%. The free cash flow as a percentage of sales target also represents an increase over the 2016 target, which was 14.9%. Our reported EPS for 2017 was \$4.60, our reported revenues were \$12,093 million, and our reported free cash flow as a percentage of revenues was 15%.

In reviewing BD's 2017 performance, the Compensation Committee made adjustments for unbudgeted items, including acquisitions, the effect of the charge taken in connection with Project TraCE, the reversal of a litigation reserve and certain other matters that occurred during 2017. The Compensation Committee made these adjustments to eliminate items that are not considered part of BD's ordinary operations, so that the PIP funding factor appropriately reflected BD's underlying operating results. These adjustments are consistent with how we reported our operating results to the financial community. Adjustments were also made for the impact of foreign currency fluctuations in excess of what was budgeted when the targets were set, again so that only BD's underlying performance is considered in determining PIP awards. The reconciliations on Appendix A provide additional detail on the adjustments made by the Compensation Committee.

Based on BD's results, the funding factor under the PIP was 109%. The following table shows the PIP awards granted for 2017. These awards are also set forth in the Summary Compensation Table on page 42 under the heading Non-Equity Incentive Plan Compensation.

Name	Target Incentive Award (\$)	Actual Incentive Award (\$)
Vincent A. Forlenza	1,631,000	1,800,000
Christopher R. Reidy	667,918	950,000
Alexandre Conroy	465,468	583,466
Thomas Polen	701,250	875,000
Ellen R. Strahlman, M.D.	553,446	603,256

Table of Contents

Certain named executive officers received awards that, as a percentage of their award target, exceeded the payout factor, as discussed below:

Mr. Reidy received an award of 142% of his target award in recognition of the role he played in helping BD achieve strong financial performance for the year, including significant underlying operating margin expansion. His award also reflects Mr. Reidy's continued efforts in realizing cost synergies from the CareFusion integration, which is on track to exceed our original estimates, and the progress made in functional transformation at BD, including our shared service centers and IT function. The award also reflects his leadership in the financial analysis of the Bard transaction, and preparing for the integration of the two companies, including identifying potential cost synergies. Mr. Reidy was also recognized for developing a successful financing strategy for the Bard transaction, which resulted in the completion of approximately \$15 billion in equity and debt financing on terms favorable to BD, despite a split rating from the rating agencies.

Mr. Conroy's award of 125% of his target award recognizes his role, as President, Americas and EMEA, in helping to deliver strong performance in emerging markets during the year that exceeded management's expectations. It also reflects significant progress made during the year on important growth and innovation initiatives, including go-to-market strategies in Europe. The award also reflects Mr. Conroy's successful transition to the leadership position of our Medication and Procedural Solutions unit in the second half of the year.

Mr. Polen received an award of 125% of his target award. The award reflects Mr. Polen's successful transition into the President role, the strong performance of our Medical segment during the year, the implementation of significant strategic initiatives (including Project TraCE and advances in digital health), and steps he took to enhance BD's organizational capabilities. The award also recognizes his significant role in forming the strategy that led to our agreement to acquire Bard and in preparing BD for the integration of the two companies, including talent retention, culture and organizational design.

Equity compensation awards

The Compensation Committee made the equity compensation awards to the named executive officers shown in the Summary Compensation Table on page 42 in November 2017. Among the changes in equity compensation awards in 2017 was an increase in Mr. Polen's total award value, which was made in anticipation of his being named BD's President later in the fiscal year.

The Performance Units included in the awards to our named executive officers cover the 2017-2019 performance period, have a target average ROIC of 16.7% (with threshold performance at 12.7% and maximum performance of 21.7%), and use the formula discussed earlier on page 36 for calculating the relative TSR payout factor.

Other Benefits Under Our Executive Compensation Program

Deferred compensation

Our Restoration Plan is an unfunded, nonqualified plan that allows eligible associates to defer receipt of cash compensation and shares issuable under certain equity compensation awards on a pre-tax basis in addition to what is

allowed under our tax-qualified 401(k) Plan. The Restoration Plan is offered as part of a competitive compensation program. We do not provide any guaranteed earnings on amounts deferred by the named executive officers, and earnings on these accounts are based on their individual investment elections. BD provides matching contributions on cash amounts deferred under the plan, subject to certain limits. Mr. Conroy is not eligible to participate in the Restoration Plan. A more complete description of the deferred compensation provisions of the Restoration Plan begins on page 52.

Table of Contents**Pension benefits**

We offer retirement benefits for all of our U.S. BD associates. Because the Internal Revenue Code limits the maximum annual benefit that may be paid to an individual under our qualified Retirement Plan, we provide additional retirement benefits through our Restoration Plan. Together, the Retirement Plan and Restoration Plan are designed to provide a market-competitive level of income replacement for our retirement-eligible associates and reduce associate turnover. The named executive officers (other than Mr. Conroy) participate in these plans on the same basis as all eligible associates. We do not include the value of equity compensation in calculating pension benefits. A more complete description of these pension benefits, and the French indemnity plan in which Mr. Conroy participates, begins on page 50.

Change in control agreements

We have entered into agreements with the named executive officers relating to their employment following a change in control. These agreements provide the executives with continued employment for a period of two years following a change in control of BD, and provide certain benefits to the executives in the event their employment is terminated without cause or they leave their employment for good reason (also known as a constructive termination) during such period. Generally, these benefits include a severance payment equal to a multiple of the executive's salary and PIP award, and certain other benefits. A more complete description of the terms and potential payouts of our change in control agreements begins on page 54.

General purpose. Our change in control agreements are intended to retain the executives and provide continuity of management in the event of an actual or potential change in control of BD. These change in control benefits are reviewed from time-to-time by the Compensation Committee to ensure that they are consistent with our compensation objectives and market practices. Based on information provided by Pay Governance, change in control arrangements are used by a substantial majority of the companies in the Comparison Group, and the terms of our agreements, including the severance multiple, are consistent with the prevailing practices at those companies. The Compensation Committee believes the benefits provided under these agreements are appropriate and consistent with our objective of attracting and retaining highly qualified executives.

Triggering events. Our agreements contain a double-trigger that is, there must be a change in control of BD and a termination of the executive's employment (either without cause by BD or for good reason by the executive) in order for any payments to be made. We opted for a double trigger, rather than a single-trigger that provides for severance payments solely on the basis of a change in control, since a double trigger is consistent with the purpose of encouraging the continued employment of the executive following a change in control.

Tax reimbursement payments. In certain instances, payments made to an executive upon termination may be subject to a 20% excise tax. Under the agreement with Mr. Forlenza, to offset the effect of this tax, we will reimburse him for any resulting excise tax. We provide for this payment because it allows him to recognize the full intended economic benefit of the agreement and eliminates unintended disparities between executives that the excise tax can arbitrarily impose, owing to the particular structure of this tax provision. However, while we believe tax reimbursement provisions serve a valid purpose, in light of trends in executive compensation practices, it has been our policy since 2011 that any new change in control agreements that we enter into with executive officers will not contain these provisions.

Company transportation

Mr. Forlenza is encouraged to use BD aircraft for both personal and business travel in order to make more efficient use of his travel time, for personal security and to reduce business continuity risk. Mr. Forlenza has entered into a time-sharing arrangement under which he makes payments to BD for his personal use of BD aircraft. For 2017, Mr. Forlenza's time-share payments exceeded BD's incremental costs relating to his personal flights. Additional information on the time-sharing arrangement is set forth in the notes to the Summary Compensation Table on page 43.

Table of Contents**Other change in control provisions**

The equity grants awarded in 2017 include a double-trigger vesting provision upon a change in control. Under this provision, the awards will not automatically vest upon a change in control if the awards are either continued or replaced with similar awards. In those instances, the awards will automatically vest only if the executive is terminated without cause or terminates employment for good reason (as such terms are defined in the plan) within two years of the change in control.

Awards granted to the named executive officers prior to January 1, 2015 immediately vest upon a change in control. Unlike the double-trigger discussed above, no termination of employment is required for the accelerated vesting of the awards. We originally provided for single-trigger vesting for awards because we believed it provided our associates with the same opportunity as our shareholders to realize the value created by the transaction, but moved to a double-trigger to align BD's plan with what the Compensation Committee believes are best practices in this area.

Significant Policies and Other Information Regarding Executive Compensation**Clawback policy**

We have a policy that gives the Board the discretion to require a member of the BD Leadership Team (which includes the top senior leaders at BD, including the named executive officers) to reimburse BD for any PIP award or Performance Unit payout that was based on financial results that were subsequently restated as a result of that person's misconduct. The Board also has the discretion to cancel any equity compensation awards (or recover payouts under such awards) that were granted to such person with respect to the restated period, and to require the person to reimburse BD for any profits realized on any sale of BD stock occurring after the public issuance of the financial statements that were subsequently restated.

The policy also gives the Board the authority to require members of the BD Leadership Team who were not involved in the misconduct to reimburse BD for the amount by which their PIP award or Performance Unit payouts exceeded the amount they would have received based on the restated results.

Share retention and ownership guidelines

To increase executive share ownership and promote a long-term perspective when managing our business, our executive officers and other members of the BD Leadership Team are required to retain, in shares of BD stock, 75% of the net after-tax proceeds from any equity compensation awards granted to them after they become a member of the BD Leadership Team. They are subject to these requirements until they achieve and maintain the required ownership level. The required ownership levels are:

Chief Executive Officer; President	5 times salary
Other Executive Officers	3 times salary
Other BD Leadership Team Members	1 times salary

What counts as ownership

Shares held directly

What does not count as ownership

Unvested SARs

Unvested Performance Units

Shares held through 401(k) Plan, Restoration Plan
and GSIP
TVUs

Messrs. Forlenza, Reidy and Conroy and Dr. Strahlman have holdings in excess of their ownership requirement. Mr. Polen has not yet attained his required ownership levels, as he was only appointed to the President position in April 2017.

Table of Contents

Hedging policy

We have a policy that prohibits our directors and associates from pledging BD shares, or engaging in options, puts, calls or other transactions that are intended to hedge against the economic risk of owning BD shares.

Equity award policy

The Compensation Committee has adopted a policy that prohibits the backdating of any equity compensation award and requires our annual equity compensation awards and any off-cycle awards approved by our CEO to be made on fixed dates. The policy also prohibits manipulating the timing of either the public release of information or the grant of an award in order to increase the value of an award. Under the policy, the exercise price of any stock option or SAR award will be the closing price of BD stock on the grant date.

Tax considerations

Section 162(m) of the Internal Revenue Code precludes BD from taking a federal income tax deduction for compensation paid in excess of \$1 million to its CEO and its three other most highly-compensated executive officers (other than the Chief Financial Officer). For 2017, however, this limitation did not apply to performance-based compensation. While the Compensation Committee generally attempts to maximize the tax deductibility of executive compensation, the Compensation Committee believes that the primary purpose of our compensation program is to support BD's business strategy and the long-term interests of our shareholders. Therefore, the Compensation Committee maintains the flexibility to award compensation that may not be tax-deductible if doing so furthers the objectives of our executive compensation program.

This section includes a discussion of performance targets in the limited context of our executive compensation program. These targets are not statements of management's expectations of our future results or other guidance. Investors should not use or evaluate these targets in any other context or for any other purpose.

Table of Contents**COMPENSATION OF NAMED EXECUTIVE OFFICERS**

The following table shows the compensation provided by BD to each of the named executive officers in fiscal year 2017.

Fiscal Year 2017 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)(1)	SAR Awards (\$)(1)	Change in Pension Value and Non-Equity Incentive Plan Compensation			Total (\$)
					Nonqualified Deferred Earnings (\$)(3)	All Other Compensation (\$)(4)	Nonqualified Deferred Earnings (\$)(3)	
Vincent A. Forlenza Chairman and Chief Executive Officer	2017	1,153,750	5,641,827	3,794,598	1,800,000	631,381	37,284	13,058,840
	2016	1,105,000	5,722,028	4,572,671	2,000,000	485,787	44,975	13,930,461
	2015	1,045,000	5,381,613	3,576,512	1,662,080	0	44,827	11,710,032
Christopher R. Reidy Executive Vice President, Chief Financial Officer and Chief Administrative Officer	2017	778,230	1,642,074	1,104,268	950,000	108,790	41,000	4,624,362
	2016	746,568	1,526,731	1,219,994	886,300	96,148	48,725	4,524,466
	2015	713,501	1,361,651	904,912	712,788	77,550	48,725	3,819,127
Alexandre Conroy(5) President, Worldwide Medication and Procedural Solutions	2017	576,242	940,531	632,450	583,466	3,343	237,087	2,973,119
	2016	530,334	834,599	666,858	486,886	17,498	219,061	2,755,236
	2015	530,334	834,599	666,858	486,886	17,498	219,061	2,755,236
Thomas E. Polen(6) President	2017	761,417	1,492,748	1,003,887	875,000	83,660	36,000	4,252,712
	2016	651,000	953,697	762,112	748,600	101,723	43,725	3,260,857
Ellen R. Strahlman, M.D. Executive Vice President, Research and Development and Chief Medical Officer	2017	686,771	1,044,937	702,707	603,256	86,237	36,000	3,159,908
	2016	664,427	953,697	762,112	617,900	82,929	43,725	3,124,790
	2015	637,301	972,660	646,362	585,508	66,642	43,725	2,952,198

(1) *Stock Awards and SAR Awards.* The amounts shown in the *Stock Awards* column (which includes Performance Units and TVUs) and *SAR Awards* column reflect the grant date fair value of the awards under FASB ASC Topic 718 (disregarding estimated forfeitures). For a description of the methodology and assumptions used to determine the amounts reflected in these columns, see Note 7 to the consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017.

The amounts included in the *Stock Awards* column for the Performance Units awarded in 2017 reflect the grant date fair values of these awards at target payout, which we believe is the most probable outcome based on the applicable performance conditions. Below are the grant date fair values of these awards, assuming a maximum payout of 200% of target:

Name	Grant Date Fair Value at Target Payout	Grant Date Fair Value at Maximum Payout
Vincent A. Forlenza	\$ 3,754,483	\$ 7,508,966
Christopher R. Reidy	1,092,725	2,185,450
Alexandre Conroy	625,864	1,251,728
Thomas E. Polen	993,371	1,986,741
Ellen R. Strahlman	695,307	1,390,614

- (2) *Non-Equity Incentive Plan Compensation.* Includes amounts earned under BD's PIP. These amounts are paid in January following the fiscal year in which they are earned, unless deferred at the election of the named executive officer.

Table of Contents**(3) Change in Pension Value and Nonqualified Deferred Compensation Earnings.**

Pension Amounts shown are the aggregate changes in the actuarial present value of accumulated benefits under our defined benefit pension plans (including our nonqualified Restoration Plan). These amounts represent the difference between the present value of accumulated pension benefits (determined as of the first date on which the executives are eligible to retire and commence unreduced benefit payments) at the beginning and end of the fiscal years shown. A decrease in present value is shown as 0. Information regarding our retirement plans begins on page 50.

Deferred Compensation Earnings on nonqualified deferred compensation are not included in this column, because no named executive officer earned above-market or preferential earnings (as defined in the rules of the SEC) on nonqualified deferred compensation during the fiscal years shown. Information on the named executive officers nonqualified deferred compensation accounts is on page 53.

(4) All Other Compensation. Amounts shown for fiscal year 2017 include the following:

	Vincent A. Forlenza	Christopher R. Reidy	Alexandre Conroy	Thomas E. Polen	Ellen R. Strahlman
Matching contributions under plans	\$ 36,000	\$ 36,000	\$ 6,670	\$ 36,000	\$ 36,000
Matching charitable gifts		5,000			
Term life insurance	1,284				
Relocation assistance			230,417		
Total	\$ 37,284	\$ 41,000	\$ 237,087	\$ 36,000	\$ 36,000

The following is a description of these benefits:

Matching contributions under plans The amounts shown reflect matching contributions made by BD pursuant to our 401(k) Plan, the GSIP and the Restoration Plan, as applicable.

Matching charitable gifts The amounts shown are matching contributions made (or committed to be made) by BD through our Matching Gift Program, under which BD matches up to \$5,000 of contributions per calendar year made to qualifying non-profit organizations.

Term life insurance BD provides incremental term life insurance benefits to Mr. Forlenza beyond those provided to BD associates generally. The amounts shown reflect the dollar value of the insurance premiums paid by BD for this incremental insurance.

Relocation assistance Mr. Conroy relocated to New Jersey from France during 2016. In connection with his relocation, BD provided the following benefits to Mr. Conroy in 2017:

Cost of living allowance	\$ 46,371
Housing allowance	87,408
Utilities allowance	1,250
Courier and Wire reimbursement	360
Home allowance	23,811
Automobile allowance	14,217
State tax reimbursement	40,000
Federal tax reimbursement	17,000
Total	\$ 230,417

Corporate aircraft. Pursuant to a policy adopted by the Board of Directors, Mr. Forlenza is encouraged to use BD aircraft for personal and business travel. The value of his personal use of BD aircraft is measured by the incremental variable costs incurred by BD in connection with his personal flights that are not reimbursed by him. These variable costs include fuel, trip-related maintenance, crew travel expenses, on-board catering, and landing and parking fees. If the aircraft flies empty before picking up or after dropping off Mr. Forlenza at a destination on a personal flight, the cost of the empty flight is included in the incremental cost. Since BD aircraft are used predominantly for business purposes, we do not include fixed costs that do not change in amount based on usage, such as depreciation and pilot salaries.

Table of Contents

Mr. Forlenza has entered into a time-sharing arrangement under which he makes time-share payments to BD for the personal use of BD aircraft. The payments are for the maximum amount permitted by Federal Aviation Administration regulations without subjecting BD to regulation as a charter carrier. Mr. Forlenza is responsible for the payment of any tax on any income imputed to him as a result of his personal use of corporate aircraft. For 2017, Mr. Forlenza's time-share payments exceeded BD's incremental costs relating to his personal flights. Accordingly, no value is shown for his personal flights in the Summary Compensation Table.

- (5) Compensation for fiscal year 2015 is not shown for Mr. Conroy because he was not a named executive officer in fiscal year 2015. Mr. Conroy is a French citizen and relocated from France to BD headquarters in New Jersey, effective April 1, 2016. The Euro-denominated compensation paid to Mr. Conroy during the fiscal year has been converted to U.S. Dollars for purposes of this and the other tables in this proxy statement using the exchange rate in effect on September 30, 2017.
- (6) Compensation for fiscal year 2015 is not shown for Mr. Polen because he was not a named executive officer in fiscal year 2015.

Table of Contents**Information Regarding Plan Awards in Fiscal Year 2017**

Set forth below is information regarding awards granted to the named executive officers in fiscal year 2017. The non-equity incentive plan awards were made under the PIP. The equity compensation awards were made under BD's 2004 Plan.

Grants of Plan-Based Awards in Fiscal Year 2017

Name	Award Type(1)	Grant Date	Estimated Possible Payouts			Estimated Future Payouts			All Other Stock Awards: Number of Shares of Stock or Units	All Other SAR Awards: Number of SARs	Exercise or Base Price of SAR Awards (\$/Sh)(4)	Grant Date Fair Value of Stock and SAR Awards(\$)(5)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Vincent A. Borlenza	PIP	N/A	978,600	1,631,000	3,262,000							
	PU	11/26/16				9,122	21,464	42,928			3,754,483	
	TVU	11/26/16							11,444		1,887,344	
	SAR	11/26/16								112,233	170.69	3,794,598
Christopher J. Reidy	PIP	N/A	400,751	667,918	1,335,836							
	PU	11/26/16				2,655	6,247	12,494			1,092,723	
	TVU	11/26/16							3,331		549,344	
	SAR	11/26/16								32,661	170.69	1,104,268
Alexandre Monroy	PIP	N/A	276,513	460,855	921,710							
	PU	11/26/16				1,521	3,578	7,156			625,864	
	TVU	11/26/16							1,908		314,667	
	SAR	11/26/16								18,706	170.69	632,450
Thomas E. Dolan	PIP	N/A	420,750	701,250	1,402,500							
	PU	11/26/16				2,414	5,679	11,358			993,371	
	TVU	11/26/16							3,028		499,378	
	SAR	11/26/16								29,692	170.69	1,003,887
Allen R. Strahlman	PIP	N/A	332,068	553,446	1,106,892							
	PU	11/26/16				1,689	3,975	7,950			695,307	
	TVU	11/26/16							2,120		349,630	
	SAR	11/26/16								20,784	170.69	702,707

(1) Award Type:

PIP = Performance Incentive Plan

PU = Performance Unit

TVU = Time-Vested Unit

SAR = Stock Appreciation Right

- (2) The amounts shown represent the range of possible dollar payouts that a named executive officer could earn under the PIP for fiscal year 2017, based on certain assumptions. Actual payments to the named executive officers under the PIP are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 42. The amount in the Threshold column assumes BD achieved the minimum performance levels for each performance measure, resulting in available funding for awards at 60% of target, and that the named executive officer received a payment equal to 60% of his or her award target. The Maximum column reflects an award at 200% of target, the maximum award an individual may receive under the PIP.
- (3) The amounts shown represent the range of potential share payouts under Performance Unit awards. The amount in the Threshold column shows the number of shares that will be paid out assuming BD achieves the minimum performance level for each performance measure under the award.
- (4) The exercise price is the closing price of BD common stock on the date of grant, as reported on the NYSE.
- (5) The amounts shown in this column reflect the grant date fair value of the awards under FASB ASC Topic 718 used by BD for financial statement reporting purposes (disregarding estimated forfeitures). For a discussion of the assumptions made to determine the grant date fair value of these awards, see Note 7 to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2017.

Table of Contents

Description of awards

PIP

The PIP provides an opportunity for eligible associates to receive annual cash incentive payments. A more detailed discussion of the PIP and the performance targets established under the PIP for fiscal year 2017 appears in the Compensation Discussion and Analysis section of this proxy statement.

Equity compensation awards

Performance Units. Performance Units are performance-based restricted stock units that vest three years after grant. The potential payouts under these awards range from zero to 200% of target. The actual payout will be based on BD's performance against the performance targets for these awards over the three-year performance period covering fiscal years 2017-2019. A more detailed discussion of these performance targets appears in the Compensation Discussion and Analysis section of this proxy statement. Performance Units are not transferable, and holders may not vote any shares underlying the award until the shares have been distributed. Dividends do not accrue on these awards.

TVUs. TVUs are restricted stock units that represent the right to receive one share of BD common stock per unit upon vesting. TVUs vest in three annual installments, beginning one year from the grant date. TVUs are not transferable, and holders may not vote any shares underlying the award until the shares have been distributed. Dividends do not accrue on these awards.

SARs. A SAR represents the right to receive, upon exercise, shares of BD common stock equal in value to the difference between the BD common stock price at the time of exercise and the exercise price. SARs are not transferable. SARs have a ten-year term, and become exercisable in four equal annual installments, beginning one year from the grant date.

Change in control. Performance Units, TVUs and SARs listed in the above table fully vest in the event of a termination of employment following a change in control under certain circumstances. See Accelerated vesting of equity compensation awards upon a change in control on page 55.

Table of Contents**Outstanding Equity Awards**

The following table sets forth the outstanding equity awards held by the named executive officers at the end of fiscal year 2017.

Outstanding Equity Awards at 2017 Fiscal Year-End

Name	Grant Date	Number of Securities Underlying Unexercised SARs (#)	Number of Securities Underlying Unexercised SARs (#)	SAR Exercise Price (\$/Sh)	SAR Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(3)	Equity Incentive Plan Awards	
								Number of Awards: Unearned Shares, or Other Rights That Have Not Vested (#)(4)	Market or Payout Value of Unearned Shares, or Other Rights That Have Not Vested (\$)(3)
Vincent A. Forlenza	11/24/2009	24,742	0	\$ 75.63	11/24/2019				
	11/23/2010	85,372	0	\$ 76.64	11/23/2020				
	11/22/2011	181,794	0	\$ 72.12	11/22/2021				
	11/20/2012	202,758	0	\$ 76.18	11/20/2022				
	11/26/2013	118,857	39,622	\$ 108.89	11/26/2023				
	11/25/2014	72,048	72,050	\$ 134.73	11/25/2024				
	11/26/2015	41,284	123,854	\$ 150.12	11/26/2025				
	11/26/2016	0	112,233	\$ 170.69	11/26/2026				
Various						96,439	18,358,069	93,290	18,280,176
Christopher R. Reidy	11/26/2013	31,695	10,566	\$ 108.89	11/26/2023				
	11/25/2014	18,228	18,231	\$ 134.73	11/25/2024				
	11/26/2015	11,014	33,045	\$ 150.12	11/26/2025				
	11/26/2016	0	32,661	\$ 170.69	11/26/2026				
	Various						17,509	3,294,462	25,932
Alexandre Conroy	11/23/2010	9,147	0	\$ 76.64	11/23/2020				
	11/22/2011	11,763	0	\$ 72.12	11/22/2021				
	11/20/2012	32,441	0	\$ 76.18	11/20/2022				
	11/26/2013	16,641	5,547	\$ 108.89	11/26/2023				
	11/25/2014	11,392	11,395	\$ 134.73	11/25/2024				
	11/26/2015	6,020	18,063	\$ 150.12	11/26/2025				
	11/26/2016	0	18,706	\$ 170.69	11/26/2026				
Various						10,592	1,990,234	14,502	2,841,667
Thomas E. Polen	11/26/2013	0	2,775	\$ 108.89	11/26/2023				
	11/25/2014	7,812	7,813	\$ 134.73	11/25/2024				

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11/26/2015	6,880	20,643	\$ 150.12	11/26/2025				
11/26/2016	0	29,692	\$ 170.69	11/26/2026				
Various					9,552	1,813,225	19,752	3,870,404
