

**BECTON, DICKINSON AND COMPANY (BD)**

**STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES**

**Adopted November 27, 2001,  
As Amended and Restated July 26, 2011**

**BECTON, DICKINSON AND COMPANY (BD)**  
**STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES**  
**Adopted November 27, 2001,**  
**As Amended and Restated July 26, 2011**

**TABLE OF CONTENTS**

<i><b>Principle</b></i>		<i><b>Page</b></i>
<i><b><u>No.</u></b></i>	<i><b><u>Principle Name</u></b></i>	<i><b><u>No.</u></b></i>
1	Board of Directors Committees, Their Number, Structure and Charters	1
2	Independence of Committees	1
3	Assignment and Rotation of Committee Members and Chairs	1
4	Chairman of the Board and Chief Executive Officer Roles	1
5	Board Leadership; Lead Director	2
6	Mix of Directors	2
7	Determination of Director Independence	2
8	Board Size	5
9	Director Retirement Policy	5
10	Term Limits	5
11	Changes in Directors' Primary Responsibilities; Outside Commitments	5
12	Evaluation By Non-Management Directors of the Chief Executive Officer	6
13	Meetings of Non-Management Directors	6
14	Evaluation of the Board and Board Committees	6
15	Evaluation of Individual Director Performance	7
16	Review of BD's Performance and Corporate Strategy	7
17	Composition of the Board and Board Membership Criteria; Selection of New Directors	7
18	Voting for Directors	8
19	Orientation of Directors and Continuing Education	9
20	Non-management Director Compensation	10
21	Non-management Director Equity Ownership	10
22	Disclosure Regarding Non-management Director Compensation and Equity Ownership and Board Evaluation	10
23	Well-Informed Directors	10
24	Board Materials and Presentations	11
25	Board and Committee Agendas	11
26	Succession Planning and Management Development	11
27	Attendance of Non-Directors at Board Meetings; Board Access to Senior Management and Independent Advisors	11
28	Board's Interaction with Major Shareholders, Media and Customers	12
29	Conflicts of Interest and Ethics Compliance	12
30	Communicating with Directors	12
31	Charitable Contributions	12
32	Executive Officer Membership on Other Boards	13
33	No Provision of Personal Services by BD External Auditor to Members of the Board of Directors or Executive Officers	13
34	Sales of BD Shares by Directors or Executive Officers when BD is Repurchasing Shares	13

## **BECTON, DICKINSON AND COMPANY (BD)**

### **STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES**

**Adopted November 27, 2001,  
As Amended and Restated July 26, 2011**

#### **1) Board of Directors Committees, Their Number, Structure and Charters**

The Board of Directors (the “Board”) has the following standing committees: Audit; Compensation and Benefits; Corporate Governance and Nominating; Executive; and Science, Innovation and Technology. The charter of each committee is reviewed on an annual basis, first by the committee, and then by the Corporate Governance and Nominating Committee, which recommends to the Board for consideration any changes the Corporate Governance and Nominating Committee deems necessary or appropriate. Each committee’s charter is posted on BD’s website, [www.bd.com/investors/corporate\\_governance/](http://www.bd.com/investors/corporate_governance/). The Board possesses the requisite authority to appoint new committees as the need may arise, or to disband a current committee, except as otherwise provided for by applicable law and regulations, the requirements of the New York Stock Exchange (“NYSE”), or BD’s Certificate of Incorporation.

#### **2) Independence of Committees**

It is BD’s policy that only independent directors serve on the Audit, Compensation and Benefits, and Corporate Governance and Nominating Committees.

#### **3) Assignment and Rotation of Committee Members and Chairs**

The Board, after consultation with the Chairman of the Board (“Chairman”), designates the members of its committees, taking into account their particular expertise, experience and preferences.

The Board does not believe in mandating the fixed rotation of committee members and/or committee chairs. However, the Board will seek to rotate committee members and chairs on a staggered basis within each committee on an average of every five years, provided that the Board may extend committee membership in any given case if it deems it appropriate in order to ensure continuity, appropriate expertise and the availability of experience derived through longevity.

#### **4) Chairman of the Board and Chief Executive Officer Roles**

The Board does not have a policy on whether the roles of the Chairman and the Chief Executive Officer should be separate or combined, or, if they are to be separate, whether the Chairman should be selected from the independent directors or should be an employee of the Company. The Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman and the Chief Executive Officer in such a manner as the Board considers in the best interests for BD at the time, considering the individuals involved and the specific circumstances facing the Company.

## **5) Board Leadership; Lead Director**

- (a) The Board notes that all directors ultimately are elected by the shareholders, and all have an equal voice. The Board as a whole is free, should a special need arise, to call upon any one or more directors to provide leadership in a given situation. The Board understands that leadership in certain subject areas falls to the committee chair(s) responsible for the subject matter giving rise to the need, and that the chairs function as the committee liaisons to the Chairman and the rest of the Board.
- (b) The Board also believes that at such times as the Chairman is not an independent director, it is appropriate and necessary for the independent directors to designate a Lead Director, who would be expected to serve in such capacity for several years. In circumstances in which the non-management directors meet without any management present, the Lead Director shall preside over such meeting. When the Chairman is absent, the Lead Director shall preside over meetings of the Board. The Lead Director also shall have the authority: (i) to call meetings of the independent directors; (ii) to consult on and approve Board meeting agendas; (iii) to consult on and approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items; (iv) together with the Chair of the Compensation and Benefits Committee, to coordinate the evaluation of the performance of the Chief Executive Officer by the non-management directors; (v) to serve 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 (vi) to review the quality, quantity, appropriateness and timeliness of information provided to the Board. The Corporate Governance and Nominating Committee shall review the designation of the Lead Director at least annually and recommend to the Board any change in the Lead Director it deems appropriate.

## **6) Mix of Directors**

It is BD's policy that the Board shall be composed predominantly of independent directors, thereby ensuring their availability to serve on the Audit, Compensation and Benefits, and Corporate Governance and Nominating Committees. No more than two members of BD's management, or who held BD management responsibilities within the preceding three years, shall be members of the Board at any given point in time.

## **7) Determination of Director Independence**

The Board shall affirmatively determine each director's independence on an annual basis (including for purposes of membership on the Audit, Compensation and Benefits, and Corporate Governance and Nominating Committees) based on applicable regulatory requirements of the Securities and Exchange Commission ("SEC"), the NYSE, and these Principles. An "independent" director shall be defined to mean a director who has none of the relationships with BD set forth in paragraph (a) below, and otherwise has no direct or indirect material relationship with BD or its management (either directly or as a partner, shareholder, principal or officer of an organization (including any parent or subsidiary in a consolidated group with the organization) that has a relationship with BD) that would interfere with the exercise of independent judgment by such director. However, the Board believes all directors should hold meaningful equity ownership

positions in BD, which shall not affect a director's independence. The Board, in its business judgment, will determine, based on all relevant facts and circumstances and in a manner consistent with the guidelines set forth below, whether a director has a relationship with BD or its management that would interfere with such director's exercise of his or her independent judgment. The following guidelines shall be followed by the Board in determining director independence:

- (a) Consistent with the applicable NYSE listing standards, under any circumstances, a director is not independent if:
  - (i) the director is, or within the last three years was, employed by BD;
  - (ii) an immediate family member (as defined below) of the director is, or within the last three years was, employed by BD as an executive officer;
  - (iii) the director or an immediate family member of the director received more than \$120,000 in direct compensation from BD during any twelve-month period within the last three years, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
  - (iv) (A) the director is a current partner or employee of a firm that is BD's internal or external auditor; (B) an immediate family member of the director is a current partner of that firm; (C) an immediate family member of the director is a current employee of that firm and personally works on BD's audit; or (D) the director or an immediate family member was, within the last three years, a partner or employee of that firm and personally worked on BD's audit within that time;
  - (v) the director or an immediate family member of the director is, or within the last three years was, employed as an executive officer of a company where any of BD's present executive officers at the same time serves or served on the compensation committee of that company's board of directors; or
  - (vi) the director is a current employee, or whose immediate family member is a current executive officer, of a company that made payments to, or received payments from, BD for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1,000,000 or two percent of the consolidated gross revenues of the other company.
- (b) The following commercial or charitable relationships will not be considered to be material relationships that would impair a director's independence:
  - (i) if the director or an immediate family member of the director currently is a director, general partner, executive officer or controlling shareholder of, or is otherwise currently affiliated with, another company that is indebted to BD, or to which BD is indebted, and the total amount of either company's indebtedness to the other does not exceed: (A) one percent of the total consolidated assets of BD as of the end of its most recently completed fiscal year or (B) one percent of the total consolidated assets of the other company as of the end of its most recently completed fiscal year;

- (ii) if the director or an immediate family member of the director currently is an executive officer or director of, or is otherwise currently affiliated with, another company in which BD owns an equity interest, and the amount of the equity interest held by BD is less than 10% of the outstanding voting securities of the other company;
  - (iii) if the director or an immediate family member of the director currently serves as an executive officer, director or trustee of, or is otherwise currently affiliated with, a charitable organization, and BD's annual charitable contributions to that organization (excluding contributions by BD under its established Matching Gift Program) are less than the greater of \$1,000,000 or two percent of that organization's consolidated gross revenues in its most recent fiscal year; and
  - (iv) if the director or an immediate family member of a director is a current director, trustee, general partner, executive officer or controlling shareholder of, or is otherwise currently affiliated with, a company or professional entity (including any law firm or investment banking firm) that made payments to, or received payments from, BD for property or services in an amount which, in any single fiscal year, do not exceed the greater of \$1,000,000 or two percent of the consolidated gross revenues of the other company or entity.
- (c) For relationships not covered by the guidelines contained in paragraph (b) above, the determination of whether or not the relationship is material, and, therefore, whether the director is independent, shall be made by the directors (excluding the director with the relationship) who satisfy the independence guidelines set forth in this Principle No. 7.

For purposes of these guidelines, an "immediate family member" includes a director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such director's home. An immediate family member does not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

Annually, the Board will review all relationships of the non-management directors with BD to determine whether such directors are independent. Subject to paragraph (a), the Board may determine that a director who has a relationship that exceeds the limits described in paragraph (b) is nonetheless independent. The basis for any such determination will be explained in BD's next annual proxy statement.

Each independent director is required to notify the Chair of the Corporate Governance and Nominating Committee, as soon as reasonably practicable, of any change in his or her personal circumstances that may affect such director's independence. The Board, upon recommendation from the Corporate Governance and Nominating Committee, shall consider the matter and the necessity of taking any action.

## **8) Board Size**

The Board periodically reviews its size to consider the number of directors that is most effective for its operation, within the range authorized by BD's Certificate of Incorporation, which is between three and twenty-one members. In general, the Board believes that its appropriate size consists of between ten and fifteen members, recognizing that circumstances may result periodically in the Board consisting, for some transitional period, of a slightly greater or lesser number of directors than the Board may have targeted.

## **9) Director Retirement Policy**

It is BD's policy that directors retire from the Board effective at the conclusion of the Annual Meeting of Shareholders following their seventy-second birthday. Under special circumstances, the Board may approve exceptions to this policy. The Board believes, however, that any exceptions should be rare.

## **10) Term Limits**

It is BD's policy to avoid term limits for directors, which have the disadvantage of discontinuing the availability and contributions of directors who have developed experience with, and insight into, BD and its needs over a period of time or provide a particular expertise.

## **11) Changes in Directors' Primary Responsibilities; Outside Commitments**

- (a) It is BD's policy that every director, including the Chief Executive Officer and any other directors with BD management responsibilities, must notify the Chairman (or, if applicable, the Lead Director) of his or her retirement, of any change in employer, and of any other significant change in the director's principal professional occupation, and in connection with any such change, offer to submit his or her resignation from the Board for consideration by the Corporate Governance and Nominating Committee. The Board, upon recommendation from the Corporate Governance and Nominating Committee, then considers the continued appropriateness of Board membership under the new circumstances and the action, if any, to be taken with respect to the offer to submit his or her resignation.
- (b) As a corollary, it is BD's policy that every director should seek the consent of the Chairman (or if the Chairman is seeking the consent, the Lead Director) and of the Corporate Governance and Nominating Committee, and confirm the absence of any material actual or potential conflict, prior to accepting any invitation to serve on another corporate or not-for-profit board or with a government or advisory group.
- (c) While a director's service on the boards of other publicly-traded companies may provide experience that benefits both the director and BD, directors are expected to devote sufficient time to fulfill their duties as directors effectively. Accordingly, while a director may serve on the board of directors of publicly-traded companies in addition to the BD Board, so as not to conflict with his or her responsibilities as a director of BD, it is BD's policy that such service should be limited to four companies (including BD) if a director is employed on a full-time basis, or five if he or she is not.

- (d) No director who is a member of BD's Audit Committee may, at the same time, serve on the audit committees of more than two other publicly-traded companies, unless the Board determines that such simultaneous service would not impair such director's ability to effectively serve on BD's Audit Committee.

## **12) Evaluation By Non-Management Directors of the Chief Executive Officer**

It is BD's policy that the non-management directors meet privately not less than once a year to evaluate the performance of the Chief Executive Officer. The evaluation is based on objective and subjective criteria, including an assessment of the performance of the businesses, accomplishment of long-term strategic objectives, and management development. A clear understanding between the non-management directors and the Chief Executive Officer regarding BD's expected performance and how that performance is to be measured is critical to the process.

The Compensation and Benefits Committee considers the results of the evaluation when recommending to the Board the Chief Executive Officer's compensation. The Lead Director communicates the results of this evaluation to the Chief Executive Officer.

## **13) Meetings of Non-Management Directors**

The non-management directors shall meet privately as a matter of course, without any management present, not less than three times a year, over the course of which their activities shall include, among other things, the performance review of the Chief Executive Officer described in Principle No. 12, and approval by the independent directors of the recommendations of the Compensation and Benefits Committee regarding the Chief Executive Officer's compensation. These meetings should be scheduled as a matter of course for each fiscal year by the Corporate Secretary.

The non-management directors also may meet in executive session at other times during the year to consider issues they deem important to address without management present.

Following each meeting of the non-management directors, the Lead Director will discuss with the Chairman, to the extent appropriate, matters addressed in or arising from the private meeting.

## **14) Evaluation of the Board and Board Committees**

It is the Board's policy to review on an annual basis its performance and effectiveness as a whole, with each director completing a questionnaire developed by the Corporate Governance and Nominating Committee with respect to certain specified criteria. Such criteria shall be posted on BD's website, [www.bd.com/investors/corporate\\_governance/](http://www.bd.com/investors/corporate_governance/). The collective ratings and comments are compiled in advance of the review session and are presented by the Chair of the Corporate Governance and Nominating Committee to the full Board for discussion.

Annual self-assessments also are conducted by each Board committee, relying on a review process similar to that used by the Board, with performance criteria for each committee established, in part, on the basis of its charter.

## **15) Evaluation of Individual Director Performance**

It is BD's policy that the Corporate Governance and Nominating Committee shall assess on the basis of pre-established criteria, the performance of each individual director standing for re-election at the next Annual Meeting of Shareholders. The pre-established criteria address each director's core competencies, independence and level of commitment. Among the criteria included in assessing a director's level of commitment are the following: all directors are expected to attend Board meetings and meetings of the committees on which they serve; to review all materials provided to them in advance of any meeting; to be knowledgeable about the strategies and affairs of BD and the industry and competitive environment in which it operates; and to actively participate in deliberations of the Board and of each committee on which they serve.

It is BD's policy that directors also are expected to attend the Annual Meeting of Shareholders in the absence of a scheduling conflict or other valid reason.

The Corporate Governance and Nominating Committee considers not only an individual's qualities, performance and professional responsibilities, but also the composition of the Board and the challenges and needs of the Board as a whole at that time. If applicable, the Corporate Governance and Nominating Committee also considers the impact of any change in the principal professional occupation of the directors during their prior term of service. This evaluation process allows each director the opportunity to conveniently confirm his or her interest to continue as a member of the Board. Upon completion of the individual director evaluation process, the Corporate Governance and Nominating Committee reports to the full Board its conclusions and recommendations for nominations to the Board.

It is BD's policy that the Corporate Governance and Nominating Committee also should review and consider the performance of any individual director if a situation were to arise that interfered with the proper performance of such director's duties as a member of the Board.

## **16) Review of BD's Performance and Corporate Strategy**

The Board reviews BD's financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons. These reviews include the views of management and may also include those of securities analysts or other third parties.

The Board also conducts an annual review of BD's strategy, and an assessment of its financial performance, on both an absolute basis and in relation to the performance of its peer companies.

## **17) Composition of the Board and Board Membership Criteria; Selection of New Directors**

The Corporate Governance and Nominating Committee is responsible for recommending for Board consideration candidates for election to the Board. The Corporate Governance and Nominating Committee shall review with the Board the appropriate skills and characteristics required of directors in the context of the composition of the Board at any given point in time. On an annual basis, the Corporate Governance and Nominating Committee considers the composition, challenges

and needs of the Board as a whole, both in connection with recommending candidates for election to the Board and in analyzing the composition of Board committees.

The assessment of the overall composition of the Board encompasses consideration of diversity, age, skills, international background, and significant experience and prominence in areas of importance to BD. 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 individuals who possess a team-oriented ethic consistent with BD's Core Values, and who are committed to the interests of all shareholders as opposed to those of any particular constituency.

When considering director candidates, the Corporate Governance and Nominating Committee will seek individuals with backgrounds and qualities that, when combined with those of other directors, will provide a blend of skills and experience that will further and enhance BD's governance responsibilities and strategic interests. The Corporate Governance and Nominating Committee shall utilize a variety of means to identify prospective nominees for the Board. These may include referrals from other Board members, management, shareholders and other external sources (including retained executive search firms). The Corporate Governance and Nominating Committee shall utilize the same criteria for evaluating candidates irrespective of their source. BD's annual proxy statement shall inform shareholders that in order to submit 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.

## **18) Voting for Directors**

At any meeting of the shareholders at which nominees for director are subject to an uncontested election (that is, the number of nominees is equal to the number of seats), any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote"), promptly shall offer to submit his or her resignation from the Board following certification of the shareholder vote. The Corporate Governance and Nominating Committee shall consider the director's offer and recommend to the Board the action to be taken with respect to same, which can range from accepting the director's offer; to maintaining the director but addressing what the Corporate Governance and Nominating Committee believes to be the underlying causes of the "withheld" votes; to resolving that the director will not be renominated in the future for election; or to rejecting the director's offer.

Thereafter, the Board shall promptly notify the director concerned of its decision, and shall publicly disclose its decision (including the process by which the decision was reached and, if applicable, the reasons for rejecting the director's offer) in a Form 8-K filed with the SEC within four business days following the Board's decision.

In considering whether to recommend that the Board accept or reject the director's offer, the Corporate Governance and Nominating Committee will evaluate all relevant factors, including, without limitation: any stated reasons why shareholders "withheld" votes for election from such director; the length of service and qualifications of the director who has offered to submit his or her resignation; the director's contributions to BD; the impact that accepting the director's resignation would have on BD's compliance with the requirements of the SEC, the NYSE and these Corporate

Governance Principles; and the best interests of all shareholders. In considering the Corporate Governance and Nominating Committee's recommendation, the Board will consider the factors reviewed by the Corporate Governance and Nominating Committee and such additional information and factors as the Board believes to be relevant.

All of the procedures described in this Corporate Governance Principle shall be completed within 90 days following certification of the shareholder vote. Any director who offers to submit his or her resignation pursuant to this provision will not participate in the Corporate Governance and Nominating Committee's or Board's consideration of whether or not to accept such director's offer.

In any case in which a director's offer is accepted by the Board, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or to reduce the size of the Board.

If a majority of the members of the Corporate Governance and Nominating Committee received a Majority Withheld Vote at the same election, then the other independent directors who did not receive a Majority Withheld Vote will appoint a special Board committee from among themselves solely for the purpose of considering the director's offer, and will recommend to the Board whether to accept or reject it in the same manner as otherwise would be undertaken by the Corporate Governance and Nominating Committee.

This Corporate Governance Principle will be described in each BD proxy statement relating to an uncontested election of directors.

## **19) Orientation of Directors and Continuing Education**

BD has an orientation and training process available to new members of the Board and to new members of each Board committee. For new directors, this includes providing background information on BD, its products and its industries, meetings with senior management to familiarize the director with BD's management and its strategies and significant policies, and site visits to BD facilities. Orientation of a new director or new committee member is coordinated by the Corporate Secretary and the Chief Financial Officer and is tailored to the requirements of the individual.

In addition to Board meetings and other activities that may take place at various BD locations, directors are encouraged to visit BD and its subsidiaries from time-to-time, at locations selected in consultation with the Chief Executive Officer, to familiarize themselves with the business of BD and its subsidiaries. These visits should be arranged through the Office of the Corporate Secretary, and directors are requested to report to the full Board following any such visit.

Directors also are encouraged to attend director education courses at BD's expense. As a matter of practice, BD management from time-to-time, directly or with the assistance of outside advisors, arranges presentations to the Board on current issues or topics relevant to directors of public companies, including current corporate governance trends and practices, and other continuing education presentations.

## **20) Non-management Director Compensation**

The Corporate Governance and Nominating Committee and the Board periodically receive reports from independent consultants on trends in director compensation. In addition, the Corporate Governance and Nominating Committee conducts a thorough analysis of director compensation and

stock ownership as appropriate and makes recommendations to the Board for any adjustments to non-management director compensation or share ownership guidelines deemed appropriate. Generally, the Board seeks to set non-management director compensation at levels that fairly compensate non-management directors for their responsibilities as directors and that are consistent with compensation levels at companies of similar size and nature as BD. A director who is also a BD employee shall not receive additional compensation for such service as a director.

BD's non-management director compensation has focused increasingly on equity compensation for directors. This has included eliminating the director retirement plan, establishing a director deferral plan with an equity investment option, and providing for annual grants of equity-based compensation. The current director equity compensation structure consists of restricted stock units that are not distributable until a director completes his or her service on the Board. This structure is intended to better align the interests of the non-management directors and shareholders. Under the director deferral plan, directors can elect to defer into a BD stock account or other investment options up to the full amount of their annual retainer and committee chair fees. The Board also believes that the non-management director share ownership guidelines ensure adequate share ownership by non-management directors.

## **21) Non-management Director Equity Ownership**

The Board believes that non-management directors should hold meaningful equity ownership positions in BD in accordance with share ownership guidelines established by the Board. The current share ownership guidelines require each non-management director to own shares of BD common stock (which includes shares held in the director deferral plan and restricted stock units) valued at fifty percent of the amount obtained by multiplying the annual retainer fee in effect from time-to-time by the number of years a person has served as a director. The annual restricted stock unit grant, which is not distributed until a director leaves the Board, serves to increase share ownership levels of non-management directors, and ensures compliance with the share ownership guidelines.

## **22) Disclosure Regarding Non-management Director Compensation and Equity Ownership and Board Evaluation**

BD shall provide disclosure in its annual proxy statement concerning the composition of non-management director compensation, stock ownership guidelines for non-management directors and senior management, and a comprehensive description of the Board's self-evaluation processes.

## **23) Well-Informed Directors**

In order for the Board to exercise fully its oversight functions, management provides to the Board access to information regarding BD and the markets in which it operates. This information comes from a variety of sources, including management reports, securities analysts' reports, information regarding performance of peer companies, direct interaction with senior management, and visits to BD facilities.

## **24) Board Materials and Presentations**

As a general rule, background information on agenda items and presentations on specific subjects are sent to Board members in advance so that Board meeting time may be conserved and discussion time focused on questions and discussion of key issues.

## **25) Board and Committee Agendas**

The Chairman, together with the Lead Director and the Corporate Governance and Nominating Committee, establishes on an annual basis a list of agenda topics for consideration and review by the Board during the following year. This annual list of agenda topics is then provided to the full Board for review and comment and is adjusted, as appropriate, during the year. Each director is encouraged to suggest topics he or she wishes to have addressed for inclusion on the Board agenda.

The Chairman (after consultation with the Lead Director) shall establish the agenda and schedule for each Board meeting, allowing for an appropriate mix of presentation and discussion.

Each committee of the Board, on an annual basis, sets an agenda of topics to be discussed by that committee during the following year. The Chair of each committee, in consultation with other members and management, develops the agenda for each committee meeting.

## **26) Succession Planning and Management Development**

The Board, with the input of the Chief Executive Officer, conducts an annual assessment of the performance and development of senior management. The Board also conducts periodic discussions, not less than once a year, regarding succession of the Chief Executive Officer and other members of senior management, and, with the recommendations of the Chief Executive Officer, identifies potential successor candidates for these roles.

As a matter of policy, the Chief Executive Officer should provide to the Board, on an ongoing basis, his or her recommendation as to a successor in the event of an unexpected disability.

## **27) Attendance of Non-Directors at Board Meetings; Board Access to Senior Management and Independent Advisors**

Members of the BD Leadership Team attend Board meetings and other Board activities on a regular basis. In addition, other members of BD management attend Board and committee meetings when appropriate to provide additional expertise and to expose the Board to a broader pool of management.

The Board has open access to senior management.

The Board and each committee of the Board has the authority to retain, at BD's expense, its own independent legal, financial and other advisors, as the Board or any committee deems necessary or appropriate.

## **28) Board's Interaction with Major Shareholders, Media and Customers**

In general, BD management speaks for BD. The Lead Director or other individual Board members may, from time-to-time at the request of management or the Board, meet or otherwise communicate with major shareholders, the media and customers.

## **29) Conflicts of Interest and Ethics Compliance**

If an actual or potential conflict of interest develops (for example, significant and ongoing competition between BD and a business with which the director is affiliated) because of a change in the business operations of BD or a subsidiary, or in a director's circumstances, the director should report the matter immediately to the Chairman and the Corporate Governance and Nominating Committee for evaluation and appropriate resolution.

If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the full Board, recuse himself or herself from participation in the discussion, and not vote on the matter.

Each of BD's directors is required to comply with BD's Business Conduct and Compliance Guide (the "Guide"). Concerns regarding violations of the Guide by non-management directors of BD are referred to the Corporate Governance and Nominating Committee and to the Chairman. Violations of the Guide by management directors of BD are referred to BD's General Counsel.

Transactions, arrangements or relationships in which BD is a participant and in which "related persons" (as defined in SEC regulations, which include directors, executive officers and their immediate family members) have, or will have, a material interest, shall be subject to the approvals or ratification required under BD's policy regarding transactions with related persons.

## **30) Communicating with Directors**

There shall be maintained on BD's website, at [www.bd.com/investors/corporate\\_governance/](http://www.bd.com/investors/corporate_governance/), a procedure by which persons so wishing may communicate with the Board, the non-management directors as a group, or with any individual director (including the Lead Director).

## **31) Charitable Contributions**

Proposed charitable contributions, or pledges of charitable contributions, by BD within any given fiscal year in an aggregate amount of \$50,000 or more, to an entity for which a BD director or a director's immediate family member (as defined in Principle No. 7) serves as a director, officer, employee, or member of such entity's fund-raising organization or committee, shall be subject to prior review and approval, or ratification, by the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee shall be provided on an annual basis with a report from management of the charitable contributions or pledges made by BD during the prior fiscal year in an amount of \$10,000 or more, to any entity for which a BD director or executive officer, or a director's or executive officer's immediate family member (as defined in Principle No. 7), serves as a director, officer, employee, or member of such entity's fund-raising organization or committee. Such report shall be posted on BD's website, [www.bd.com/investors/corporate\\_governance/](http://www.bd.com/investors/corporate_governance/).

However, for purposes of determining whether the \$50,000 approval threshold or the \$10,000 disclosure threshold is reached, no contributions by BD under its established Matching Gift Program shall be included or reported.

### **32) Executive Officer Membership on Other Boards**

It is BD's policy that, prior to an executive officer accepting an invitation to serve on any board of an entity unaffiliated with BD (whether for-profit or nonprofit (excluding, for these purposes, any local religious, fraternal, athletic or social organization or club)), the executive officer first must seek the agreement of BD's Chief Executive Officer, Chief Financial Officer and its General Counsel, pursuant to procedures established by the Company, that any such proposed service would not present an undue conflict of interest or financial risk, to either BD or to the executive officer. Once such agreement is secured, the executive officer then shall seek the approval of the Corporate Governance and Nominating Committee. The Board will review any such relationships that are so approved on a periodic basis.

As a general rule, the Board believes that executive officers should be limited at any given time to serving on the board of not more than one other publicly-traded company. Any exceptions to this general rule shall require the prior approval of the Corporate Governance and Nominating Committee.

### **33) No Provision of Personal Services by BD External Auditor to Members of the Board of Directors or Executive Officers**

It is BD's policy that neither BD, nor any director or executive officer, may engage the external auditor of BD for the purpose of the external auditor providing financial planning, tax preparation (including expatriate tax services) or other personal services (collectively, "Services") to the director or executive officer. This policy prohibits the engagement of the external auditor for such purposes, regardless of whether the person or persons proposed to provide the Services to a director or executive officer participates or previously participated in a BD audit.

For purposes of this policy, the "external auditor" of BD is defined as any firm engaged by the Audit Committee to provide audit, review or attest services, or to otherwise provide "audit services" to BD within the meaning of the rules of the SEC.

### **34) Sales of BD Shares by Directors or Executive Officers when BD is Repurchasing Shares**

It is BD's policy to limit its repurchases of BD common stock under a BD stock repurchase program on days on which a director or executive officer sells shares of BD stock, so as to avoid any appearance that the repurchases were intended to support the BD stock price for the benefit of such insiders. For purposes of this policy, the term "sell" includes entering into any contract to sell, pledge or otherwise transfer or dispose of shares of BD common stock, other than gifts or other transfers of shares for no value.

Any director or executive officer intending to sell shares of BD common stock shall provide as much advance notice as is reasonably practicable to the Office of the Corporate Secretary, so as to ensure that BD is not engaging in share repurchases in violation of this policy.