



The Diabetes Care Spinoff and Your Total Rewards

Building a successful future at NewCo

August 2021

For U.S. associates transitioning to NewCo on Day One





Building a successful future at NewCo

We have a proud history and a bright future in the arena of diabetes care. BD has a long history of serving people with diabetes globally, from the introduction of the world's first specialized insulin syringe in 1924 through today's adoption of insulin syringes, pens, and pen needles as the leading modalities for insulin injection.

As we build our new company, we have great expectations for our future.

We are
leaders.

The BD Diabetes Care business is the leading producer of diabetes injection devices, producing approximately 8 billion injection devices annually and serving about 30 million patients — more than any other company in the world.

We're
passionate
about what
we do.

We have a noble purpose — the work we do makes life better for tens of millions of people living with diabetes all around the world.

We see
nothing
but growth
ahead of us.

Today's diabetic population, estimated at 463 million individuals worldwide, is expected to increase to 700 million by 2045.¹ We will continue to expand and innovate to make a difference in the lives of this growing population.

- From Day One, NewCo will be among the leading diabetes-focused businesses, with global revenues of ~\$1.1 billion.
- NewCo's profitability and cash flow will fund investments to enhance our existing presence, as well as expansion into new market opportunities.
- As an independent, diabetes-focused business, NewCo will be better able to attract capital investment, recruit talent, and allocate resources. The resulting business development, innovation, and product development programs will drive future growth and ultimately benefit more patients around the world.

NewCo is
an exciting
opportunity
for you.

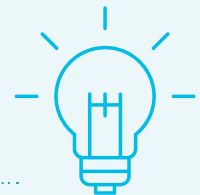
This transition to NewCo will provide exciting opportunities for associates to build a new future in a growing new company. As one of the building blocks to help you succeed, we're taking a rigorous and thoughtful approach to seamlessly transitioning your Total Rewards. We're working to provide you with the same, or comparable, levels of total compensation, benefits, and other Total Rewards Programs and policies when you transition to NewCo.

Welcome to the start of something great!

What is NewCo? And when is Day One?

NewCo "NewCo" is the working name of the Diabetes Care business spinoff until a new company name is determined.

Day One "Day One" is the day NewCo stock begins trading publicly and the company begins operating independently from BD under its own name, with its own Board of Directors, management team, and associates. The exact date of the transition has not yet been determined, but we expect it to occur in the first half of calendar year 2022. **This is the day you will officially become an associate of NewCo.**



¹International Diabetes Federation Diabetes Atlas, 9th edition 2019



Building your Total Rewards at NewCo

Associates who will be joining the new Diabetes Care spinoff company will have a unique opportunity: the chance to be part of the excitement and energy that a new company brings, while building upon a solid foundation as an established industry leader with a legacy of success to create and grow a new company that's focused on doing what it does best.

Guiding principles

As we launch the new company, we want to ensure your best interests are always top of mind, so we are following a clear and consistent set of guiding principles for ensuring your NewCo Total Rewards Program mirrors BD's current programs and policies, where possible. Our goal is to treat all associates equitably throughout the Diabetes Care spinoff and make the process as seamless as possible.

Our specific Total Rewards Program guiding principles for the transition are to:

- Maintain comparable programs to BD, where possible, to preserve value
- Minimize change and disruption for associates
- Keep the transition approach simple and consistent
- Ensure NewCo's Total Rewards Program is competitive with external market practices

With these principles as our guide, our aim is to keep your Total Rewards consistent through NewCo's transition. This will give NewCo the time it needs to carefully establish a robust, market-competitive Total Rewards Program for 2023 and beyond that will be the right fit for both NewCo associates and NewCo's long-term people strategy.



Rigorous and thoughtful approach

Since the planned spinoff of the Diabetes Care business was announced in mid-May, NewCo and BD leadership have been meeting regularly with BD Global Total Rewards. Together, the teams have rigorously reviewed the Total Rewards Program for transitioning associates to ensure it is thoughtfully planned and helps set up the new company and its associates for success. We know Total Rewards are important to all associates, particularly those associates who may be directly affected by the spinoff, and we would like to share the decisions we have made to date. Specifically, this communication addresses your compensation, your benefits (health and welfare and retirement savings plans), and other Total Rewards Programs and policies.



Key things to know about your Total Rewards at NewCo

- You will continue to participate in BD's Total Rewards Program through Day One.
- There will be no change to your base salary as a result of the spinoff.
- If you're eligible for an annual bonus at BD, you'll remain eligible for an annual bonus at NewCo.
- If you're eligible for equity compensation (i.e., LTI awards) at BD, you'll remain eligible for annual LTI awards at NewCo, and your outstanding BD LTI awards will be aligned to NewCo on Day One.
- You will remain in the BD health and welfare plans and other BD Total Rewards Programs and policies through December 31, 2022.
- Your vested retirement benefits in BD's 401(k) Plan, Deferred Compensation Plan (DCP), Cash Balance Plan, and Restoration Plan (if applicable) are always yours to keep. You will have a similar opportunity to continue building your retirement savings at NewCo.
- In lieu of a cash balance pension plan, you will become eligible for the 3% NewCo 401(k) annual non-elective contribution on Day One.
- Your service at BD will count toward your service for all NewCo Total Rewards Programs.





Your compensation on Day One

Compensation is often top of mind for most of us, so you'll be pleased to know your compensation programs will remain largely the same when you transition to NewCo.

Base salary and annual increases

There will be no change to your base salary when you transition to NewCo on Day One. Annual salary increases for 2022 will be communicated and take effect according to BD's current annual process. Future annual increases will be managed by NewCo as a part of its annual compensation cycle.

Annual bonus

Associates who are eligible for an annual bonus at BD, will remain eligible for an annual bonus at NewCo.

FY 2021 bonuses payable under BD's Corporate/Local PIP or other bonus plans will be awarded in the December 2021/January 2022 timeframe according to the current terms of the plan(s).

Over the next several months, NewCo will be carefully designing its annual incentive plan for FY 2022 based on its business strategy. There will be no change to your FY 2022 total bonus opportunity and payout dates when you transition to NewCo on Day One. Details of the plan and the process of transitioning from BD's FY 2022 PIP to the NewCo annual incentive plan will be provided as we approach Day One.

Long-Term Incentives (LTI)

Associates who are eligible for equity compensation (that is, annual LTI awards) at BD, will remain eligible for annual LTI awards at NewCo, and any outstanding LTI awards will be aligned to NewCo's financial objectives and results.

Your outstanding LTI awards will be converted to comparable NewCo equity awards on Day One. Adjustments will be made to preserve the intrinsic value of your equity awards on Day One, and all remaining terms and conditions — including the vesting schedule — will remain the same.

Building a
successful
future at
NewCo

Building your
Total Rewards

Health and
welfare plans

Retirement
plans

Other total
rewards
programs and
policies

What's next

Information
and resources

Specifically, your equity awards will be treated as follows on Day One:

- **Time Vested Units (TVUs).** Your unvested BD TVUs will be converted to NewCo TVUs.
- **Stock Appreciation Rights (SARs).** Your unexercised BD SARs, both vested and unvested, will be converted to NewCo SARs. Any vested, unexercised BD SARs you have currently (and at any time up to Day One) are available now for transaction in your Morgan Stanley account at any time, subject to BD’s trading window and blackout periods.
- **Performance Units (PSUs).** Your unvested BD PSUs will be converted to NewCo TVUs based on applied performance level and adjusted to preserve the intrinsic value of the award immediately prior to Day One. The methodology used to determine the performance level to be applied will be finalized and communicated in advance of Day One.
- **November 2021 LTI grant.** The November 2021 annual LTI grant will be awarded to eligible NewCo associates per BD’s annual compensation cycle process. LTI awards will be granted as follows:

For associates in:	LTI awards granted as:
Job Groups 3 through 6+	100% in TVUs (no change from BD)
Job Groups 7 and above	60% in SARs and 40% in TVUs (vs. BD’s 40% SARs, 40% PSUs, and 20% TVUs)

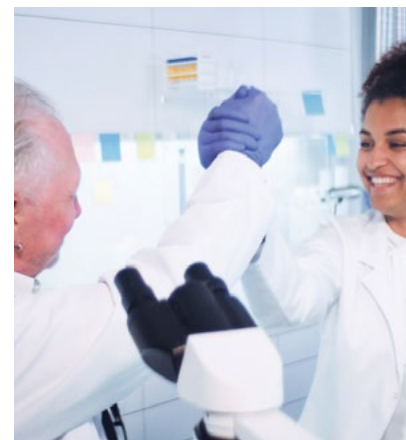
Note: Transferring associates in Job Groups 7 and above who ordinarily receive their annual BD LTI awards in SARs, TVUs, and PSUs will only receive SARs and TVUs during BD’s November 2021 grant. These associates will not receive BD PSUs this November to enable a simplified transition of outstanding awards on Day One and provide NewCo ample time to design performance-based long-term incentives that align with NewCo’s business strategy.

Any fully owned BD shares (for example, from TVUs or PSUs that have vested) are available for transaction in your Morgan Stanley account at any time, subject to BD’s trading window and blackout periods. They will be treated the same as all other shareholders’ shares. On Day One, BD shareholders will receive shares in NewCo in proportion to the number of shares they hold in BD. The number of shares will be determined closer to Day One.



A note about equity award adjustments

To complete the conversion of your BD equity awards to NewCo equity awards, the adjustments made to preserve the intrinsic value will be based on several key variables — including BD’s stock price prior to Day One, BD’s stock price after Day One, and NewCo’s initial stock price and distribution ratio. More details, including conversion examples, will be provided in advance of Day One.



Your health and welfare plans on Day One

There will be no change to your health and welfare plans on Day One. You will enroll in the BD plans during the 2022 Open Enrollment in October 2021, with 2022 options and contribution rates. Associates transferring to NewCo will remain in the BD health and welfare plans through December 31, 2022 (as part of a Transition Services Agreement between BD and NewCo), regardless of when Day One occurs during 2022.

In 2022 you will continue to be eligible for the following BD health and welfare benefits:

- Medical
- Health Savings Account (HSA)
- Dental
- Vision
- Hospital care insurance
- Critical illness insurance
- Accidental injury insurance
- BD Healthy Lives (including Livongo's Diabetes Program)
- Health Care and Dependent Care Flexible Spending Accounts (FSAs)
- Basic and supplemental life insurance
- Basic and supplemental accidental death & dismemberment (AD&D) insurance
- Short-term disability (STD)
- Long-term disability (LTD) insurance
- Group legal
- Home, auto, and pet insurance



Key points about your health and welfare plans

- There will be no change to your health and welfare plans on Day One.
- You will stay in the BD health and welfare plans through December 31, 2022 (regardless of when Day One occurs in 2022).

NewCo will be carefully designing its health and welfare plans for 2023 and beyond to optimize overall value, align with the NewCo business strategy, and meet the needs of associates and their families. NewCo will communicate information about NewCo 2023 benefits in the fall of 2022 in connection with the NewCo Open Enrollment process for 2023.

We've taken this approach to allow NewCo ample time to develop robust health and welfare plans for transitioning associates. Designing, implementing, and communicating a new suite of health and welfare plans for NewCo's diverse associate population is a significant undertaking, with many factors to consider.



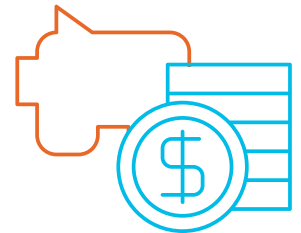
Your retirement plans on Day One

Your vested BD retirement savings balances (BD 401(k), Cash Balance, and Deferred Compensation Plan (DCP) if eligible) are always yours to keep. When you transition to NewCo, the full value of the vested retirement benefits you have accumulated at BD will be protected, and you will continue to vest in your unvested balances with no disruption.

You'll have an opportunity to continue building your retirement savings at NewCo. Details about the transition, including distribution options, are included in the following sections.

401(k) Plan

The NewCo 401(k) plan will mirror the BD 401(k) Plan and will be effective on Day One. There will be no change to the 401(k) plan design (including the company match, vesting schedule, and non-elective contribution), and your service with BD will count toward vesting in the NewCo plan. Your BD 401(k) account balance (vested and unvested) will automatically be transferred to the NewCo plan account with Fidelity as soon as administratively possible after Day One.



Key points about your retirement plans

- Your vested retirement benefits in BD's 401(k) Plan, DCP, Cash Balance Plan, and Restoration Plans are always yours to keep.
- NewCo's 401(k) plan company match will mirror BD's 401(k) Plan and will be effective Day One. Your BD 401(k) balance (vested and unvested) will be transferred into the NewCo 401(k) plan after Day One.
- In lieu of a pension plan, all NewCo associates (including those who actively participate in the BD Cash Balance Plan prior to Day One) will be eligible for the 3% NewCo 401(k) annual non-elective contribution on Day One.
- For those associates who actively participate in the BD Cash Balance Plan prior to Day One, NewCo will provide a transition benefit to preserve the associate's current pay credit contribution from the company through a period of transition. See page 11 for more information about the Cash Balance Plan.

Here are some more specifics about the transition from your BD 401(k) account to your NewCo 401(k) account.

For those who were hired or rehired on or after January 1, 2018, and are eligible for the BD 401(k) annual non-elective contribution:

- Your BD 401(k) account will be credited with the 2021 annual non-elective contribution in January 2022 (no change).
 - NewCo will credit your NewCo 401(k) account with the non-elective contribution during 2023 for the full calendar year 2022, pro-rated based on your eligibility date.
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For those who are not currently eligible for the BD non-elective annual contribution:

- You will become eligible for the NewCo 401(k) non-elective annual contribution on Day One, which will be 3% of eligible pay.
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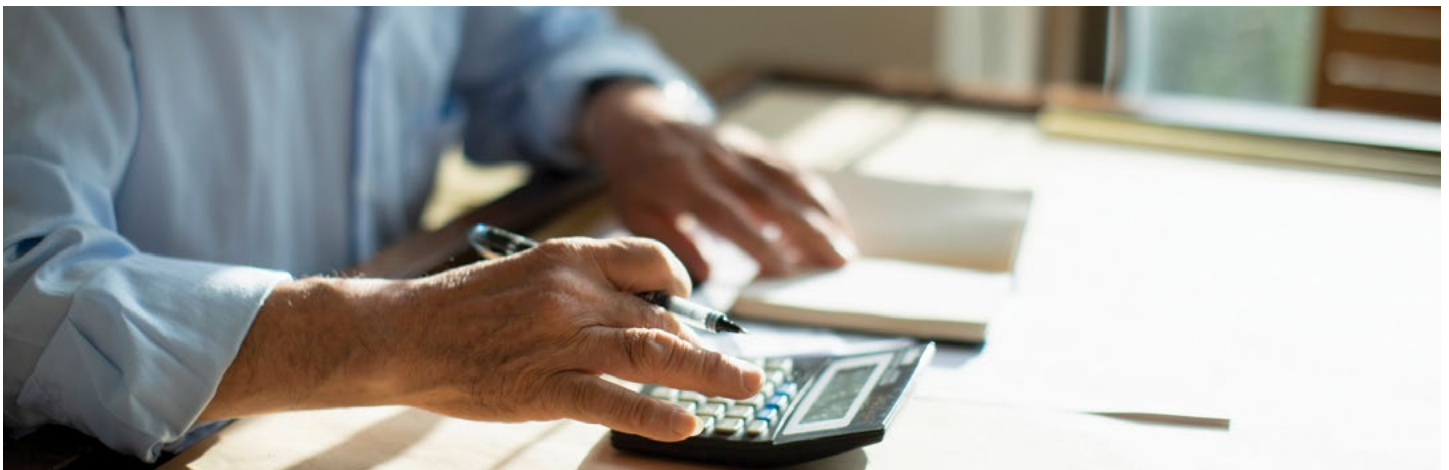
If you are currently repaying a BD 401(k) loan:

- Your loan balance will transfer to the NewCo 401(k) plan.
 - Your payments will continue following the same repayment schedule.
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401(k) investment options:

- The investment lineup for the NewCo 401(k) plan, including the treatment of BD stock in the BD 401(k) Plan, is still under review.

Note: Since BD is transferring your BD 401(k) Plan account balance to the NewCo 401(k) plan, you will have no disruption to your participation. Using your BD 401(k) Plan balance as the foundation, your balance will continue to grow (subject to market fluctuations), and you can continue to build your retirement savings in the NewCo 401(k) plan. Defined contribution plans, like the BD and NewCo 401(k) plans do not permit distributions while you are still employed by BD or NewCo.



Cash Balance Pension Plan (for associates hired prior to January 1, 2018)

NewCo will not offer a pension plan. In lieu of a cash balance pension plan, all transitioning NewCo associates (including those who actively participate in the BD Cash Balance Plan immediately prior to Day One) will be eligible for the 3% NewCo 401(k) annual non-elective contribution on Day One.

This approach to providing retirement benefits is common among our competitors and aligns with market best practices. BD began transitioning its approach to providing retirement benefits to this model when it closed its Cash Balance Plan to new entrants on December 31, 2017. For new hires and rehires, BD offers a 401(k) plan annual non-elective contribution equal to 3% of eligible pay – the same benefit that NewCo will offer to all transitioning associates.

Having all your qualified retirement benefits in the NewCo 401(k) plan will also enable you to take advantage of the same key features and opportunities you had in the BD 401(k) Plan, including:

- NewCo matching contributions that help build your nest egg more quickly.
- Opportunities to make pre-tax, after-tax, and Roth contributions, providing flexibility in how you want your 401(k) benefits taxed when they're paid to you.
- The ability to invest both your prior BD contributions and your NewCo contributions in a wide variety of investment options.

401(k) plans have certain unique advantages. First, this type of retirement planning vehicle puts you in charge of your future retirement income through self-directed investment options.

Also, 401(k) plans allow for good growth opportunities with investments that have historically* yielded a 6% annual growth rate (vs. a 3.79% interest rate under the BD Cash Balance Pension Plan).

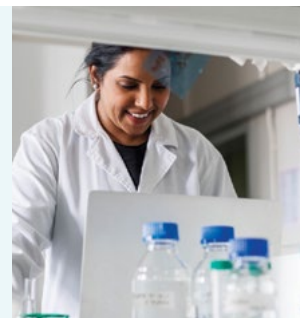
- **Your vested cash balance benefit is always yours to keep.** Your BD cash balance account will continue to grow with interest until you request a distribution. However, as of your last day of employment with BD, your cash balance account will stop earning pay credits.
- **When you officially become a NewCo associate, you will become eligible for the 3% non-elective contribution and a transition credit.**
- **NewCo will also provide you with a 401(k) plan supplemental credit through a period of transition in addition to the non-elective contribution, if applicable.** This supplemental credit will be equal to the difference between (1) the current pay credit percentage you are eligible for under the BD Cash Balance Plan, and (2) the NewCo non-elective contribution. Additional details will be provided later this year.
- **You can request a distribution of your full vested BD cash balance benefit amount.** Because NewCo will not be creating a pension plan, participants in the BD cash balance pension plan can take a distribution of their full balance from the plan as a lump sum or an annuity immediately after Day One. Alternatively, you can leave your account balance in the BD plan where it will continue to earn interest until you choose to receive payment or reach age 65, whichever comes first.

* Historical performance data represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. You may lose money on your investments. Current performance may be lower or higher than the historical performance and will depend on a number of factors, including the particular investment mix chosen.



Reminder

You will be able to defer taxation through a rollover of your balance into another qualified plan, such as the NewCo 401(k) Plan, or other tax-deferred arrangement, such as an IRA. If you choose to not rollover your balance and instead take a lump-sum cash payment or annuity from the BD Cash Balance Pension Plan, benefits are taxable upon distribution based on individual tax rates.



Deferred Compensation Plan (non-qualified plan)

The NewCo Deferred Compensation Plan (DCP) will mirror the BD DCP and will be effective on Day One. Your service with BD will continue to count toward vesting in the NewCo plan. Your notional BD DCP account balance will automatically be transferred to the NewCo plan account as soon as administratively possible after Day One.

- **If you are currently an active participant in the BD DCP:**
 - The BD DCP elections you make for 2022 during the BD Open Enrollment in December 2021 will be irrevocable and will apply for the portion of 2022 that you are a BD associate.
 - Your 2022 DCP elections will apply only to base pay and bonus you earn while employed with BD. Transferring associates will no longer have the option to defer TVUs and PSUs.
 - Prior to Day One, you will have the opportunity to enroll in the NewCo DCP for the remainder of 2022. Your elections for the NewCo plan can be different from your BD plan elections.

Remember: DCP deferral elections are irrevocable.

- **NewCo DCP investment options.** The notional investment lineup for the NewCo DCP is still under review, and more information will be provided in the coming months.

Restoration Plan (non-qualified excess pension)

NewCo will not have a non-qualified Restoration Plan (“excess pension plan”). An excess pension plan like the Restoration Plan applies only when there is a qualified pension plan like the BD Cash Balance Plan.

- **If you are currently an active participant in the BD Restoration Plan:**
 - Your BD Restoration Plan full account balance will be paid out to you in cash as a taxable disbursement, within 60 days of Day One.
 - More detailed information about your BD Restoration Plan payment will be provided in the coming months.



Ensuring you have expert support for your retirement plan decisions

Both BD and NewCo are committed to providing you with the resources you need to help ensure your long-term financial well-being. We encourage you to speak with your tax and/or financial adviser prior to Day One to discuss the transition to NewCo and assess your overall savings portfolio and the tax options for your personal situation.

- BD offers one-on-one financial counseling through Ayco at no cost to you as a BD associate. This service will continue with NewCo after Day One. Call Ayco at 800.334.0823 to set up an appointment with a financial counselor who can help you with your planning, contributions, and investment decisions.
- BD will also be offering retirement counseling services through Fidelity and Alight.



Your other Total Rewards Programs and policies on Day One

There will be no change to your other Total Rewards Programs and policies on Day One. Associates transferring to NewCo will remain eligible for all other benefits provided within the BD Total Rewards Program through December 31, 2022 (as part of a Transition Services Agreement between BD and NewCo), regardless of when Day One occurs in 2022.

In 2022, you will continue to be eligible for the following BD Total Rewards Programs and policies:

- Paid time off (PTO) and holidays
- Paid parental leave
- Bereavement
- Other leave programs
- Flex work
- Well-being programs
- Employee Assistance Program (EAP)
- Educational Assistance/Tuition reimbursement
- 529 College Savings Plan
- Financial counseling
- BCU (Baxter Credit Union)
- Adoption assistance
- Backup day care and Special Needs program
- Commuter benefits
- Severance



Key points about your other Total Rewards Programs and policies

- There will be no change to your other Total Rewards Programs and policies on Day One.
- During 2022, NewCo will communicate information regarding its Total Rewards Programs and policies for 2023.

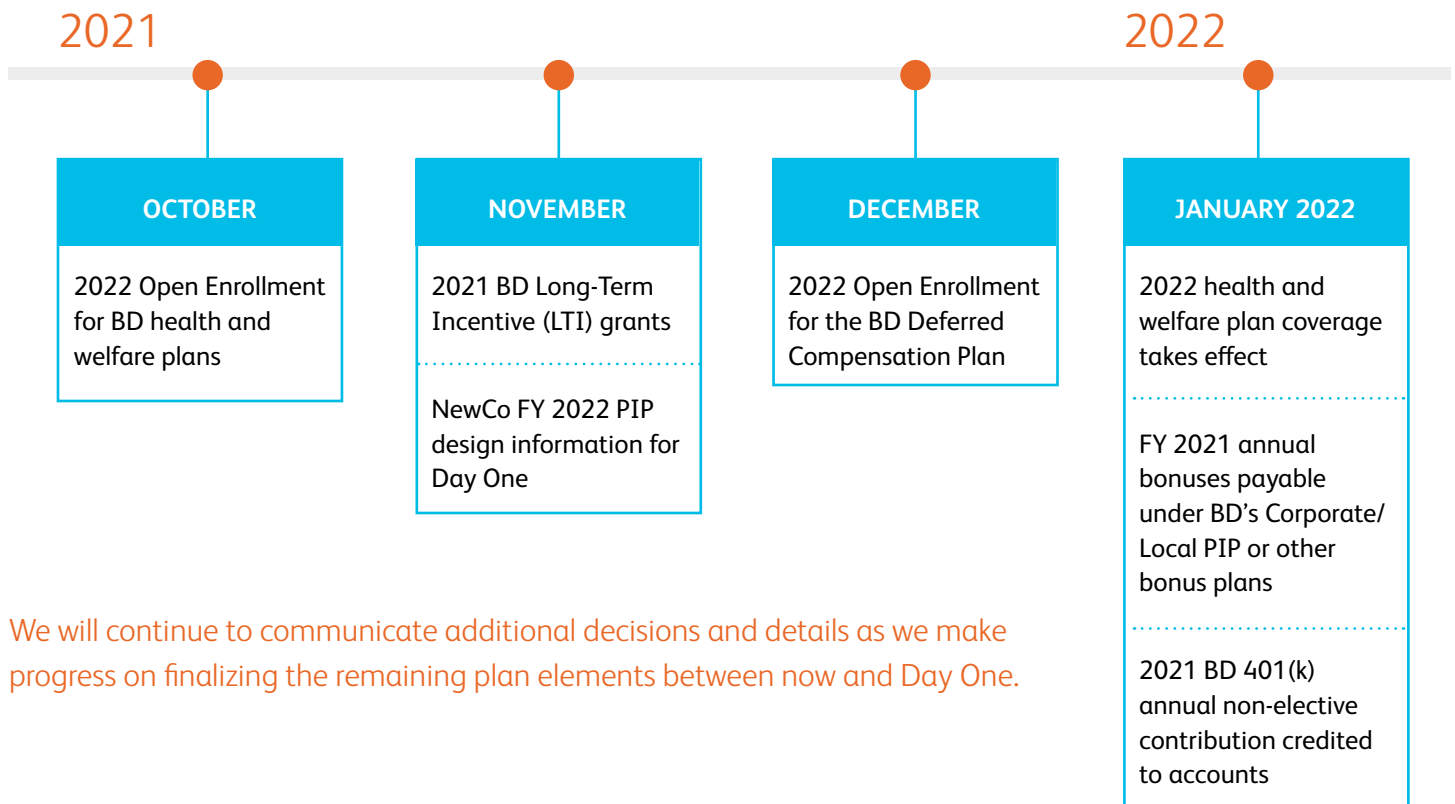
Global mobility and immigration

There will be no change to existing mobility and relocation agreements and services when you transition to NewCo on Day One. Details for immigration are still under review and will be communicated on an individual basis. More information regarding the mobility, relocation, and immigration policies and services that will be provided by NewCo will be shared as we approach Day One.



What's happening next

Over the coming months, BD and NewCo will provide you with the resources and information you need as we move toward the Total Rewards transition. Here's what you can expect next:



We will continue to communicate additional decisions and details as we make progress on finalizing the remaining plan elements between now and Day One.

Additional information and resources

WHO TO CONTACT FOR WHAT	
Visit or contact...	To...
<p>Diabetes Care email box DC_Questions@bd.com</p>	<ul style="list-style-type: none"> Ask questions about the overall transition to NewCo and your Day One Total Rewards.
<p>Maxwell (go to Maxwell >Products & Innovation > BD Medical > Diabetes Care)</p>	<ul style="list-style-type: none"> View regular updates on NewCo, including FAQs.
<p>HROne (go to Maxwell > HR > HROne > Search “Total Rewards Overview”)</p>	<ul style="list-style-type: none"> Access BD Total Rewards Program information.
<p>BD Associate Service Center (ASC) 855.234.3577</p>	<ul style="list-style-type: none"> Ask general questions about your pay and other Total Rewards Programs and policies, such as paid time off, adoption assistance, and educational assistance. Representatives are available Monday through Friday between 7 a.m. and 6 p.m. CT.
<p>Morgan Stanley 888.389.7715 The Detterick Group 917.368.7511 https://www.stockplanconnect.com</p>	<ul style="list-style-type: none"> Access details and conduct transactions related to your LTI awards. Speak with a Morgan Stanley executive advisor if you have questions. Executive advisors are available Monday through Friday, between 8:30 a.m. and 6:00 p.m. ET on market trading days, or you may send an email to: DetterickGroup@morganstanley.com.
<p>Ayco 800.334.0823 ayco.com/login/bd</p>	<ul style="list-style-type: none"> Access free financial and retirement planning resources. Schedule an appointment with a financial counselor by calling 800.334.0823 or by visiting ayco.com/login/bd. Counselors are available Monday through Thursday, between 9:00 a.m. and 8:00 p.m. ET and Fridays between 9:00 a.m. and 5:00 p.m. ET.
<p>Benefits Direct (Alight) 800.234.9855 bd.com/benefits</p>	<ul style="list-style-type: none"> View your current health and welfare benefits coverage and plan information, BD Cash Balance Plan account balance, and accrued Restoration Plan benefit (if applicable). Representatives are available Monday through Friday between 8:00 a.m. and 8:00 p.m. ET.
<p>Fidelity NetBenefits 866.715.2068 401k.com</p>	<ul style="list-style-type: none"> View or make changes to your BD 401(k) Plan contributions or investments, your BD 401(k) account balance and plan information, and your DCP elections and participation and plan information. Fidelity specialists are available Monday through Friday, between 8:30 a.m. and 11:59 p.m. ET.

NewCo represents an exciting growth opportunity for all of us transitioning to the new company on Day One. In addition to the opportunities for business and personal growth, both BD and NewCo leadership want to ensure your Total Rewards Program on Day One closely matches what you have today and establishes a solid platform for your financial and physical wellbeing in the future.

CONFIDENTIAL – All plans that may affect associates are provisional and subject to appropriate information and consultation processes with potentially affected associates and their representatives to the extent required by applicable law as well as the subsequent decision of the employing entity.

This brochure highlights certain provisions of the benefit plans and policies available to eligible associates of Becton, Dickinson and Company and its affiliates (“BD”). They are meant to provide only a brief overview of these benefits and policies as well as benefit plans and policies intended to be made available to eligible associates of NewCo. If there is any difference between the benefits as described in this brochure and the formal plan documents, the formal language of the plan documents and policies as construed and interpreted by the plan administrator govern. The benefits and policies described in this brochure are subject to change, and in the case of NewCo, not yet adopted, and BD or NewCo, as applicable, reserves the right to amend, modify, suspend, or terminate these plans and policies, in whole or in part, at any time and for any reason by action of BD or NewCo, as applicable, to the extent permitted by applicable law and the plan. This communication and the benefits and policies described within do not imply any guarantee and are not an employment contract and should not be considered to be a promise of future benefits.

