BD Retirement Plan

Summary Plan Description

(As applicable to Cash Balance Members)

Summary Plan Description
of the
BD Retirement Plan

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INTRODUCTION

The BD Retirement Plan (the "Plan") is sponsored by Becton, Dickinson and Company (the "Company" or "BD"). The benefit provided under the Plan, in combination with other sources of income, such as Social Security, your personal savings and the contributions both you[1] and the Company make to the BD 401(k) Plan, helps to ensure financial security for you and your family during retirement.

This Summary Plan Description gives you a summary of the Plan and includes all amendments made through January 1, 2017. The Plan is made available to associates of the Company and certain participating subsidiaries.

The benefits described in this Summary Plan Description apply to associates who actively participated in the Plan on or after January 1, 2017 – the benefits of former associates who only participated in the Plan before that date are determined by the terms of the Plan in effect at the time their employment terminated.

Certain groups of associates are provided Plan benefits that are different from those generally provided under the Plan to all eligible associates. These include groups of associates who work at various acquired businesses. These groups are described in **Appendix A** to this Summary Plan Description.

History of the Plan

The Plan was originally established in 1976 (as a combination of certain prior BD retirement plans) and was designed to help eligible associates meet their financial needs in retirement. Before April 1, 2007, Plan benefits were determined solely under a Final Average Pay Plan formula. The Final Average Pay Plan formula calculates benefits by considering a member's Total Compensation for the last ten consecutive years of employment with the Company and determining, within that ten year period, the five consecutive year period that produces the highest average compensation amount, and also by considering the member's age, length of service and Social Security covered compensation amounts established for the member's year of birth.

Generally effective April 1, 2007, the Company added a new Cash Balance Plan formula to the Plan. This change applied to new Plan members (new hires after April 1, 2007), rehired associates who previously participated in the Plan, and then-current Plan members who elected to be covered under the Cash Balance Plan formula effective July 1, 2007 (as described below).

Effective January 1, 2013, the Company amended the Plan to convert active U.S. associates who were members under the Final Average Pay Plan formula on December 31, 2012 to the Cash

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[1] The term "you" as used in this Summary Plan Description refers to a Company associate who otherwise meets all the eligibility and participation requirements under the Plan. Receipt of this Summary Plan Description does not guarantee that the recipient is in fact a member under the Plan and/or otherwise eligible for benefits under the Plan.

Balance Plan formula. The Cash Balance Plan formula bases each member's pension benefit on the value of a hypothetical account. During the period of participation in a cash balance plan, the value of the hypothetical account grows, with monthly Pay and Interest Credits.

For ease of reference, this Summary Plan Description refers to the Final Average Pay portion of the Plan as the "Final Average Pay Plan" and the Cash Balance portion of the Plan as the "Cash Balance Plan."

Summary Plan Description

This booklet constitutes the "Summary Plan Description" called for by the Employee Retirement Income Security Act of 1974 ("ERISA"). This Summary Plan Description explains key features of the Plan in an easy-to-read format and style, and contains information relating to the benefits that are provided under the Cash Balance Plan formula. A separate version of this Summary Plan Description describes the benefits that are provided under the Final Average Pay Plan formula. If you would like to receive a copy of that version of the Summary Plan Description, please contact the Plan Administrator and a copy will be provided to you at no charge.

This Summary Plan Description advises Plan members of their rights and obligations under the Plan, but it does not contain every detail of the Plan. The official Plan document contains all the details of the Plan. <u>If there is a conflict between statements in this booklet or the Summary Plan Description for the Final Average Pay Plan provisions and the official Plan document, or if anything is not fully described in this summary or the Summary Plan Description for the Final Average Pay Plan provisions, the terms of the Plan document will govern</u>. The Internal Revenue Service has made a favorable determination regarding this Plan.

Nothing in the Plan or in this Summary Plan Description creates or is intended to create a right for any person to be employed or remain employed by the Company and its affiliates nor does it interfere with the right of the Company or its affiliates to discharge an associate at any time.

In addition, receipt of this Summary Plan Description does <u>not</u> guarantee that the recipient is in fact a member under the Plan and/or otherwise eligible for benefits under the Plan.

No one is authorized to provide you with information that differs from the terms of the official Plan document. Should you receive incorrect information, whether orally or in writing, about your benefits, such information is not binding on BD or the Plan and will not be given effect even if you have relied on such incorrect information. BD reserves the right to make any appropriate retroactive adjustments to your benefits in the event it determines that benefits were determined incorrectly for any reason.

Participation in the Cash Balance Plan

When the Cash Balance Plan formula was initially added to the Plan, Plan members were allowed to choose to remain covered under the Final Average Pay Plan formula or become covered under the Cash Balance Plan formula. The Cash Balance Plan also applied to any associate initially hired by the Company (or who otherwise initially becomes eligible to be a member) on or after April 1, 2007.

Generally, if an associate was not eligible to make a valid election during the 2007 election period for choice for any reason, and the associate later becomes eligible to participate in the Plan, the associate will become covered under the Cash Balance Plan formula for periods after re-employment. If the associate was vested in his benefit when he first terminated employment, the associate's benefit for periods of prior employment will continue to be determined in accordance with the Final Average Pay Plan formula based on that prior period of employment and prior compensation, and the two benefits will be added together to determine the associate's total Plan benefit at any later termination of employment or retirement.

The following are two examples of associates who would fall into this category. There are other categories as well. As a general rule, if: (1) you have a vested prior benefit under the Final Average Pay Plan formula; (2) you did not (or were not eligible to) elect to remain covered by the Final Average Pay Plan formula for your entire period of continuous employment; and (3) you did not (or were not eligible to) elect to convert your entire benefit to a Cash Balance Plan formula, your benefit under the Plan will consist of two parts – a Final Average Pay Plan formula benefit and a Cash Balance Plan formula benefit.

> **Example 1.** Mary terminated employment before April 1, 2007 at a time when she was fully vested and was covered under the Final Average Pay Plan formula. Mary is rehired after April 1, 2007. Mary will be covered by the Cash Balance Plan formula from the date of her rehire forward. When she terminates employment or retires in the future, her benefit will be based on the sum of a Final Average Pay benefit for her period of employment and compensation before April 1, 2007 and a Cash Balance Plan benefit for her period of re-employment. The Final Average Pay Plan terms apply to the part of her benefit determined during that prior period and the Cash Balance Plan provisions apply to her Cash Balance Plan benefit during her period of re-employment.

> **Example 2.** Sam was employed at a non-participating company within the Becton Dickinson family of companies. After April 1, 2007, Sam transfers to BD. At that time, Sam will be covered by the Cash Balance Plan formula from the date of his transfer to BD forward. Sam's benefit at termination of employment or retirement will be a Cash Balance Plan benefit for his period of employment with BD. The Cash Balance Plan provisions apply to his Cash Balance Plan benefit.

Effective January 1, 2013, any active U.S. associate who was then covered under the Final Average Pay Plan formula on December 31, 2012 became covered under the Cash Balance Plan formula. The member's Final Average Pay Plan benefit as of December 31, 2012 was converted to a lump sum amount which was the member's opening balance in the cash balance account established for the member under the Cash Balance Plan. The opening balance reflected the present value of the member's Final Average Pay Plan benefit as of December 31, 2012, payable at age 62 or the member's actual age, if he was over age 62. On and after January 1, 2013, the member's cash balance account grew and will continue to grow with Pay and Interest Credits as explained more fully later in this summary. For ease of reference, this Summary Plan

Description refers to a member described above as a "2013 Converted Member." The following protections are provided to a 2013 Converted Member under the Cash Balance Plan:

1. If the 2013 Converted Member had the opportunity to elect to be covered under the Cash Balance Plan formula in 2007 but elected to remain covered under the Final Average Pay Plan formula, his opening account balance in the Cash Balance Plan as of January 1, 2013 will be adjusted, if necessary, to ensure that it is no less than the account balance the 2013 Converted Member would have had as of January 1, 2013 had he elected to be covered under the Cash Balance Plan formula in 2007.

2. The value of a 2013 Converted Member's accrued Final Average Pay Plan benefit as of December 31, 2012, including any early retirement subsidy on that benefit that he may qualify for when he terminates employment, is protected. This means that, upon termination of employment, the value of the 2013 Converted Member's cash balance account will be compared to the value of the amount the 2013 Converted Member would have been paid based on the sum of (A) the value of his accrued Final Average Pay Plan benefit as of December 31, 2012 *plus* (B) Pay Credits and Interest Credits beginning January 1, 2013, with a zero-dollar opening balance in his cash balance account. The Plan will pay to the 2013 Converted Member a benefit based on the greater of his actual Cash Balance Account or the amount equal to the sum of (A) and (B) above.

ELIGIBILITY AND PARTICIPATION

Eligible Associates

Who is eligible to participate in the Plan?

The Plan is generally available to all active full-time and part-time associates employed by the Company or any other subsidiary or affiliated company that has adopted the Plan. References in this Summary Plan Description to the "Company" or "BD" generally include references to related businesses adopting the Plan. The Company may limit participation to certain designated groups of associates.

Who is NOT eligible to participate in the Plan?

The following persons are NOT eligible to participate in the Plan:

- Leased employees (as defined by the Internal Revenue Code),
- Individuals who do not receive payment for services directly from the Company's payroll,
- Individuals accruing benefits in any other Company-sponsored defined benefit pension plan,
- Individuals who are covered by a collective bargaining agreement that does not provide for the individual's participation in the Plan,
- Employees of a business unit or company that has not adopted the Plan for its employees, and
- Non-resident aliens who do not receive any United States source income.

Participation

When do eligible associates begin participation in the Plan?

Full-time and part-time eligible associates begin participation in the Plan as members of the Plan on the first date they complete an hour of service with the Company.

Mini-time and temporary associates begin participation in the Plan as members of the Plan after completing one year of service, but only if the associate works at least 1,000 hours during the 12 consecutive month period commencing on the date employment commences or any anniversary of that date.

You do not need to enroll in the Plan. Your coverage is automatic once you meet the eligibility and participation requirements. You continue to actively participate in the Plan (i.e., earn Interest Credits and Pay Credits pursuant to the terms of the Plan) as long as you work for the Company in an eligible employment classification. You will cease active participation in the Plan upon your termination of employment or transfer to an employment classification that is not eligible to participate in the Plan. Once your active participation in the Plan ceases, you will continue as an inactive member of the Plan if you are entitled to a vested accrued benefit under the Plan as of the date your active participation ceases. While you remain an inactive member, your vested Cash Balance Account will continue to earn Interest Credits until you commence payment of your Cash Balance Plan benefit. However, no further Pay Credits are earned beginning in the month after the month in which you cease active participation in the Plan.

Re-employment

If your employment ends after you have begun Plan participation and you are later re-employed by the Company, you will begin active participation in the Plan again on your date of re-employment with the Company, regardless of the length of the interruption in your employment.

If you are a mini-time or temporary employee who terminates employment before becoming a member of the Plan, you will be eligible, upon re-employment, to begin active participation in the Plan in the same manner described in **Participation**, above. If you are a mini-time or temporary employee re-hired after a “Break in Service,” you will be treated as a newly-hired employee on the first date you are re-employed with the Company. If you are re-hired before incurring a “Break in Service,” your original start date will be considered the date you first completed an hour of service with the Company. You will incur a “Break in Service” if you do not complete 501 or more hours of service for the Company during the 12 consecutive month period commencing on the date employment commences or any anniversary.

If you have a prior Cash Balance Plan Benefit

Upon your reinstatement as an active member of the Plan, you will participate in the Cash Balance Plan features of the Plan. If your benefit prior to your re-employment consisted in whole or in part of a vested Cash Balance Plan benefit that was not already paid to you, your future Pay Credits and Interest Credits will be added to your existing Cash Balance Account.

If you are re-employed by the Company after having forfeited your Cash Balance Account (because you were not vested at your prior termination), your Cash Balance Account will be restored as explained below in the discussion of **Determination of Vesting Service** on page 7.

If you do not have a prior Cash Balance Account remaining in the Plan upon your re-employment (because it was previously paid out to you), a new Cash Balance Account with a zero balance will be created for you to which future Pay and Interest Credits will be credited.

If you have a prior Final Average Pay Plan benefit

Upon your reinstatement as an active member of the Plan, you will participate in the Cash Balance Plan features of the Plan. If your benefit prior to your re-employment consisted of a vested Final Average Pay Plan benefit that was not already paid to you, a new Cash Balance Account with a zero balance will be established for you upon reemployment and your prior Final Average Pay Plan benefit will be added to your Cash Balance Plan benefit to determine your total benefit under the Plan on a subsequent termination of employment or retirement. The Final Average Pay Plan provisions apply to your Final Average Pay Plan benefit and the Cash Balance Plan provisions apply to your Cash Balance Plan benefit.

If you are re-employed by the Company after having forfeited your Final Average Pay Plan benefit (because you were not vested at your prior termination), a new Cash Balance Account with an opening balance equal to the present value of your non-vested Final Average Pay Plan benefit as of the date you first terminated employment, payable at age 62 or your actual age, if you are over age 62, will be created for you to which future Pay and Interest Credits will be credited.

If you are re-employed by the Company after you have begun receiving payment of your Final Average Pay Plan benefit, your benefit payments will continue and you will participate in the Plan as a Cash Balance member for your period of re-employment. A new Cash Balance Account with a zero balance will be created for you to which future Pay and Interest Credits will be credited.

HOW THE CASH BALANCE PLAN WORKS

The Cash Balance Plan formula provides you with a Cash Balance Account that is increased by Pay Credits (based on your Total Compensation, age, and service, as described below) and Interest Credits (based on the interest rate prescribed by the Plan). To understand how to calculate your benefit, it is important for you to understand how compensation and service are calculated under the Plan for various purposes.

Definition of Total Compensation

What is "Total Compensation"?

The term "Total Compensation" <u>includes</u> your base salary plus other forms of regular compensation (such as shift differentials, holiday pay, sick pay, or vacation pay), overtime, commissions, regular annual incentive bonus, tax deferred contributions to the BD 401(k) Plan (formerly known as the Becton, Dickinson and Company Savings Incentive Plan), lump sum merit review payments, payments under the Company's Exceptional Performance Program, pre-tax deferrals under a cafeteria plan maintained by the Company, and all amounts deferred under the BD Deferred Compensation and Retirement Benefit Restoration Plan (formerly known as the Becton, Dickinson and Company Deferred Compensation and

Retirement Benefit Restoration Plan).

Total Compensation does NOT include amounts from exercised stock options, reimbursed expenses, imputed income values, forms of incentive compensation not specifically listed as includible, and stock award distributions with respect to stock awards granted on or after January 1, 1994, under the Company's Stock Award Plan.

Federal law limits the amount of your annual Total Compensation that may be used to determine the monthly Pay Credits. For calendar years 2016 and 2017, no more than $265,000 and $270,000, respectively, can be recognized as Total Compensation. This amount is adjusted annually by the Internal Revenue Service for changes in the cost-of-living. See the discussion of **Maximum Benefits**, on page 26, for more information on federal compensation limits.

Determination of Vesting Service

"Vesting Service" is the service needed to vest in your Cash Balance Account. You will have a nonforfeitable (vested) right to your Cash Balance Account after you have attained three years of Vesting Service. Vesting Service is tracked based on the full months and years that you work for the Company or any of its subsidiaries or affiliates, starting with the date employment commences and ending on your date of severance from service (described below). You are credited with one year of service for every 12 months of service. You are credited with one month of Vesting Service for any month in which you have at least one hour of service. Any member who takes a leave of absence for certain military service is credited with the period of his or her military service upon his or her return to work, provided that he or she returns to work within the time that his or her re-employment rights are protected by law.

When do I become vested in my Cash Balance Account?

You become fully vested in your Cash Balance Account after you have completed three years of Vesting Service. Regardless of your Vesting Service, you become fully vested in your Cash Balance Account upon reaching "Normal Retirement Age." Normal Retirement Age is the later of your 65th birthday or the fifth anniversary of the date that you became a member, if you are employed by the Company on that fifth anniversary date. However, if you became a member before July 1, 1987, Normal Retirement Age is your 65th birthday.

If you are not 100% vested in your Cash Balance Account when you leave, you will not have earned a right to your Cash Balance Account and your Cash Balance Account will be forfeited. If you are re-employed by the Company at any time, regardless of why you left or how long you were away, your previous Cash Balance Account will be restored. If you terminated employment with the Company prior to April 1, 2007 (and were previously covered under the Final Average Pay formula) and are re-employed by the Company at any time after April 1, 2007, a new Cash Balance Account with a zero balance will be credited for you. Upon re-employment, your earlier Vesting Service will be added to your Vesting Service earned during re-employment to determine your vested status and your future Pay Credits credited to your Cash Balance Account. If you left the Company before October 1, 1985, different rules may apply.

What is my severance from service date?

Unless you meet one of the exceptions below, your severance from service date is the earlier of:

- the date on which you quit, retire, are discharged or die, OR
- the first anniversary of the date you are first absent from active service (provided that you remain absent through the first anniversary of such date), with or without pay, for any reason other than the reasons stated immediately above, such as vacation, sickness, disability, layoff or leave of absence.

Exceptions

- If you are absent beyond the first anniversary date because you are on an authorized leave of absence for Parental Leave purposes, your date of severance will be the second anniversary of the first date of such absence. The 12 month period beginning on the first anniversary of the first date of your absence and ending on the second anniversary of your absence will be a year of absence and will not count as a year of Vesting Service or as a period of severance under the Plan.
- If you are on an approved leave of absence (paid or unpaid) in accordance with the Company's leave policies your date of severance will be the later of: (1) the first anniversary of the date you are first absent from active service or (2) the date your approved leave of absence ceases.

How is Vesting Service counted if I am re-employed?

If you are re-employed within 12 months of your severance from service date, the period of your severance from service is credited toward your years of Vesting Service. If you are re-employed more than 12 months after your severance from service date, the period of your severance from service is not credited toward your Vesting Service.

Effect of Disability on Service

When does disability leave count as an approved leave of absence for determining service?

If you become disabled while an associate such that you are entitled to disability benefits under the Federal Social Security Act, you have not yet reached age 65, and you have at least 10 years of Vesting Service, you are considered to be on an approved leave of absence for as long as you are entitled to the Social Security disability benefits.

The period of this approved leave of absence will count as service under the Plan for purposes of earning benefits and Vesting Service as long as you obtain a determination of disability from the Social Security Administration before terminating employment or receive a determination from the Social Security Administration that you were disabled as of your date of termination within 18 months of terminating employment.

The leave of absence period will run from your termination of employment date through the earliest of your Normal Retirement Date, the date you cease to be entitled to disability benefits under the Federal Social Security Act, or the date you elect to receive or commence your benefit under the Plan. See page 12 below for a discussion of your Normal Retirement Date.

Special Service Circumstances

Special service provisions may apply if you have prior service with a company that was acquired by the Company, or if during the term of your employment with the Company you are covered by another Company-sponsored defined benefit pension plan. If either of these situations applies to you, please refer to the **Appendix A** for additional information or contact the Plan Administrator.

The Cash Balance Account

Once you become a member in the Cash Balance Plan, a Cash Balance Account is established in your name. The Cash Balance Account is not an actual individual account, as one might have with a bank savings account. Rather, it is a hypothetical bookkeeping account that grows with monthly Pay Credits and Interest Credits. Pay Credits are based on your Total Compensation, age and years of Vesting Service. Interest Credits are based on an interest rate established each September. As long as you remain an eligible associate of the Company and an active member of the Plan, your Cash Balance Account will grow with monthly Pay and Interest Credits.

You will receive periodic statements that report the value of your Cash Balance Account.[2] When you leave the Company, whether at retirement or earlier, you can take the vested value of your Cash Balance Account with you. You will have a choice of how to receive your benefit payment, as described later in this Summary Plan Description.

Opening Cash Balance Accounts

Members Electing To Convert to Cash Balance Plan Formula. Certain members were eligible to elect to convert their Final Average Pay Plan benefit to an opening Cash Balance Account in 2007. The rules applicable to these members are described in **Appendix B** to this Summary Plan Description.

2013 Converted Members. If you are a 2013 Converted Member, your opening Cash Balance Account balance was determined by:

- Calculating your Final Average Pay Plan accrued benefit under the Final Average Pay Plan formula in effect as of December 31, 2012, payable as of the date you reach age 62, or payable at your current age, if greater than age 62;
- Calculating the actuarially equivalent lump sum present value of this benefit using the IRS interest and mortality assumptions in effect on December 31, 2012; and
- Crediting this amount to your Cash Balance Account as of January 1, 2013.[3]

[2] The value of a 2013 Converted Member's accrued Final Average Pay Plan benefit as of December 31, 2012, including any early retirement subsidy on that benefit that he may qualify for when he terminates employment, is protected. This value, if any, will not be reflected on a Converted Member's periodic statement until he elects to commence benefits under the Plan.

[3] If a Cash Balance Plan member previously participated in the Final Average Pay Plan, the benefit for that member under the Cash Balance Plan can never be less than the sum of the benefit earned by that member under the Final Average Pay Plan immediately prior to becoming a Cash Balance Plan member, plus future Pay Credits and Interest Credits under the Cash Balance Plan formula.

If you are a 2013 Converted Member and were eligible to elect to convert your prior Final Average Pay Plan benefit to an opening Cash Balance Account during the choice period but did not, your opening Cash Balance Account balance will be adjusted, if necessary, to ensure that it is no less than the Cash Balance Account balance you would have had as of January 1, 2013 had you elected to be covered under the Cash Balance Plan formula in 2007 (see **Appendix B** for 2007 rules).

All Other Cash Balance Plan Members. All Plan members other than those whose Final Average Pay Plan benefits were converted to an opening Cash Balance Account start out with a zero Cash Balance Account to which future Pay and Interest Credits are made, as described below. If any of these Plan members still have a prior unconverted Final Average Pay Plan benefit, that benefit is added to their Cash Balance Plan benefit to determine their entire benefit at termination of employment or retirement. The Final Average Pay Plan provisions apply to their Final Average Pay Plan benefit and the Cash Balance Plan provisions apply to their Cash Balance Plan benefit.

Monthly Pay Credits

Beginning with the date your Cash Balance Account is established, as of the last day of each month that you are actively employed with the Company (or on an approved leave of absence), your Cash Balance Account is credited with a Pay Credit equal to a percentage of your Total Compensation for the month. The percentage is determined by using the percentage in the following schedule that corresponds to the sum of your age (in full years and months) plus years of Vesting Service projected to each upcoming December 31:

Age + Years of Vesting Service As of the Upcoming December 31	Credit Percentage
Less than 40	3%
40-49	4%
50-59	5%
60-69	6%
70 +	7%

If you receive a bonus payment that is attributable to your active service with the Company after you become ineligible for participation in the Plan, you will receive a Pay Credit on that bonus amount. If you are on an approved leave of absence (paid or unpaid) in accordance with the Company’s leave policies, such as an approved medical leave, you will continue to receive Pay Credits for the period of such leave in the same manner as you did immediately before beginning that leave. In addition, associates who are in qualifying military service will continue to earn Pay Credits during the period of military service, in accordance with the Company’s military leave policy and applicable law.

Monthly Interest Credits

After your Cash Balance Account is credited with a Pay Credit, as of the last day of each month, your Cash Balance Account also will be credited with an Interest Credit. The rate that is used to determine the monthly Interest Credits is determined each September and applies to each month in the following calendar year. The rate for each year is currently based on the interest rate on 30-year U.S. Treasury constant maturities for the prior September, compounded monthly. In no event will the rate used to determine the monthly Interest Credits be less than an annualized interest rate of 3.79%.

Calculating Your Cash Balance Benefit

At any point in time, you can calculate the benefit you have earned to date using the following Cash Balance Plan formula:

Previous month's Cash Balance Account value
PLUS
Monthly Pay Credits
PLUS
Monthly Interest Credits
EQUALS
Your Current Cash Balance Account value

An example[4] will help illustrate how Pay and Interest Credits to your Cash Balance Account are calculated.

ASSUMPTIONS:

Current Monthly Eligible Total Compensation: $3,500

Years of Vesting Service: 8 (100% vested)

Age: 45

Annual Interest Rate: 4.85%

Previous month's Cash Balance Pension Benefit: $14,047

THE MATH – HOW YOUR INTEREST AND PAY CREDITS ARE CALCULATED:

Previous month's Cash Balance Account balance		$14,047.00
Monthly Interest Credit ($14,047 x .4042%*)	+	56.78
Monthly Pay Credit ($3,500 x 5%**)	+	175.00
Your Cash Balance Account balance	=	$14,278.78

*.4042% is the annual 4.85% rate converted to a monthly rate.

** A Pay Credit of 5% was used because the member's age plus years of Vesting Service equal 53.

4 The examples contained in this Summary Plan Description are for demonstration purposes only. The calculation of your benefit under the Plan may be different from the calculations shown in the examples due to reasons such as a subsequent change in law that affects the calculation of your benefit.

Because this example assumes 100% vesting, upon termination or retirement, the member, regardless of age, has the choice of taking the $14,278.78 as a lump sum payment or having the Cash Balance Account paid in one of the optional forms available under the Plan.[5] Alternatively, the member can defer the distribution of the Cash Balance Account until age 65 (because the balance is more than $1,000). See the section entitled **Payment of Your Cash Balance Account** for an explanation of the Plan's distribution rules.

The following chart illustrates how this member's Cash Balance Account would grow over a 6-month period:

PROJECTED GROWTH OF ACCOUNT*				
	Beginning Balance	**Interest Credit**	**Pay Credit**	**Ending Balance**
Month 1	$14,047.00	$56.78	$175.00	$14,278.78
Month 2	$14,278.78	$57.71	$175.00	$14,511.49
Month 3	$14,511.49	$58.66	$175.00	$14,745.15
Month 4	$14,745.15	$59.60	$175.00	$14,979.75
Month 5	$14,979.75	$60.55	$175.00	$15,215.30
Month 6	$15,215.30	$61.50	$175.00	$15,451.80
*This example assumes that the member's compensation continues unchanged, and that the member is paid no more than twice a month.				

BENEFITS AVAILABLE UNDER THE PLAN AND BENEFIT CALCULATION

Because the Plan is a retirement plan, payment of your Cash Balance Account usually begins when you retire. However, if you are vested when you terminate employment, your Cash Balance Account benefit may be paid after your termination, regardless of your age or retirement status.[6] The Plan provides five different types of retirement benefits:[7] (1) normal retirement, (2) postponed retirement, (3) early retirement, (4) disability retirement, and (5) a vested benefit.

Normal Retirement Pension Benefit and Postponed Retirement Pension Benefit

As a member of the Plan, you will have a nonforfeitable right to your Cash Balance Account upon attaining your Normal Retirement Age (discussed on page 7). Your "Normal Retirement

[5] An "early payment" tax equal to 10% of the amount you elect to receive may apply if you elect to receive a portion of your Cash Balance Account prior to reaching age 55. See the discussion of the **Lump Sum Option** on page 20 for more information.

[6] An "early payment" tax equal to 10% of the amount you elect to receive may apply if you elect to receive a portion of your Cash Balance Account prior to reaching age 55. See the discussion of the **Lump Sum Option** on page 20 for more information.

[7] If you have a Final Average Pay benefit that was not converted as part of your Cash Balance Account, in addition to a separate Cash Balance Account, your non-converted Final Average Pay benefit will be calculated in accordance with the terms of the Final Average Pay Plan Document as explained in the Summary Plan Description for the Final Average Pay provisions.

Date" is the first day of the month coincident with or following your Normal Retirement Age. You can apply to commence your normal retirement pension benefit on your Normal Retirement Date or the first of any month thereafter, even if you have not yet actually retired from employment with the Company. If you would like to receive an in-service distribution, contact the Plan Administrator to obtain the necessary forms.

If you continue working past your Normal Retirement Age, your Cash Balance Account will continue to be credited with Pay Credits and Interest Credits. If you elect to receive your Cash Balance benefit while employed in the form of an annuity, any additional Pay Credits and Interest Credits you receive will increase your annuity payment each year. If you elect a lump sum payment of your Cash Balance Account, future Pay Credits and Interest Credits will be paid as soon as possible after the beginning of each calendar year.

You can choose to postpone payment of your Cash Balance Account to begin on the first day of any month after your Normal Retirement Date if you continue employment with the Company and are not a re-employed member whose pension benefit commenced to be paid prior to your reemployment. However, as described on page 21, you must begin to receive payment of your benefit no later than the year after you reach age 70 ½. The first day of the month as of which your benefit payment begins (or is made) after your Normal Retirement Date is your "Postponed Retirement Date." If you make this choice, you will be entitled to a pension benefit commencing on your Postponed Retirement Date. If in any month after your Normal Retirement Date and before your Postponed Retirement Date you are not compensated by the Company for at least 40 hours of service, you should notify the Plan Administrator. On your Postponed Retirement Date, you will be entitled to a benefit equal to the greater of an actuarial increase in your accrued benefit or the value of any continued accruals otherwise made for the period after your Normal Retirement Date and before the earlier of (i) your Postponed Retirement Date or (ii) your subsequent termination from employment.

If you are re-employed after payment of your Cash Balance Account commences, your monthly Cash Balance Account payment will continue. See the discussion in **Re-employment** on page 5 for more information.

Early Retirement Benefit

Who can elect the early retirement benefit?

You can elect to retire early from the Company on an Early Retirement Date if you have reached age 55 and have at least 10 years of Vesting Service. Your Early Retirement Date can be the first day of any month after your termination of employment and before the month of your Normal Retirement Date.

How is the early retirement benefit calculated?

The amount of your early retirement benefit will be your Cash Balance Account balance as of your Early Retirement Date.

When does my pension payment begin if I choose the early retirement benefit?

If you choose early retirement, you can choose to (1) begin payment of your Cash Balance Account at your Early Retirement Date or (2) delay the payment of your Cash Balance Account until your Normal Retirement Date.

Vested Benefit

As discussed in the **Determination of Vesting Service** section on page 7, when you complete three years of Vesting Service, you become 100% vested in your benefit under the Plan. If you terminate your employment with the Company after you have become 100% vested but before you are eligible to retire, you are eligible to receive a distribution of your Cash Balance Account in the form of a lump sum or one of the annuity forms of distribution as described below.

Disability Retirement Benefit

If you retire due to disability, your pension benefit will be determined based on your Cash Balance Account as of your disability retirement date and you will be considered retired at your Normal Retirement Date unless you elect to commence payment of your pension benefit earlier than your Normal Retirement Date. However, if you have at least 10 Years of Vesting Service under the Plan as of your disability retirement date, you will be deemed on an approved leave of absence for Vesting Service, Pay Credit, and Interest Credit purposes from your termination of employment due to disability through the earliest of: (i) your Normal Retirement Date, (ii) the date you cease to be entitled to disability benefits under the Federal Social Security Act, or (iii) the date you otherwise elect to receive or commence your benefit under the Plan. Therefore, if you have at least 10 Years of Vesting Service and you remain disabled until you reach your Normal Retirement Age, Early Retirement Date or death, you will receive Vesting Service, Pay Credits, and Interest Credits from your disability date through the date you retire or die.

If you become eligible for early retirement while entitled to disability benefits, and elect to begin receiving payment of your early retirement pension benefit at any time before your Normal Retirement Date, computed as discussed on page 12, your Cash Balance Account will no longer be credited with Interest Credits and Pay Credits.

If you choose early retirement (discussed on page 13) and you are receiving benefits under the Company's Long-Term Disability ("LTD") Plan, the amount of your early retirement benefit will be considered as "other income" under the LTD Plan and used to offset your LTD benefit. Please refer to the Health and Welfare Benefits Overview/SPD for more information about your LTD benefits.

If You Recover

If you are receiving benefits under the LTD Plan, and you recover from your disability and are no longer entitled to disability benefits under the Federal Social Security Act before your Normal Retirement Date, and do not return to active employment with the Company within 60 days, you will only receive the pension benefit you would be entitled to upon early retirement or termination of employment, determined on the date your disability benefits ceased. If you do return to active employment with the Company within 60 days, your absence due to disability will be treated as an approved leave of absence and count towards Vesting Service. The approved leave of absence in this case will include the period between your date of termination due to disability and the date you are no longer entitled to Social Security disability benefits.

If your period of disability ends before you reach Normal Retirement Age and you do not return to employment with the Company, you will be entitled to an early retirement benefit or a vested pension benefit as if your employment terminated on the date you were no longer disabled, depending on your age and service at that time.

PAYMENT OF YOUR CASH BALANCE ACCOUNT

If you are eligible to commence distribution of your vested Cash Balance Account, you will begin receiving your payments as soon as practicable after you have submitted a properly executed and completed election form to the Plan Administrator. Generally, if you do not submit an application to receive payment of your vested Cash Balance Account, your payments will begin either when you reach Normal Retirement Age or, if later, the first day of the month after you stop working. However, as discussed on page 21, payment of your Cash Balance Account must begin no later than the April 1 following the calendar year in which you attain age 70 ½.

Payment under the Plan must be made in the "normal form of benefit" unless you elect to be paid in one of the optional forms of benefit, all as described below.[8] To calculate the amount of your Cash Balance Benefit paid in the form of an annuity, you start by converting your Cash Balance Account balance to an actuarially equivalent single life annuity beginning on the "annuity starting date" (which is the first day of the month as of which the annuity is paid). That single life annuity is then converted into one of the optional forms of benefit, if you elect one, as described below. If you want to receive a lump sum payment, the amount would be equal to the value of your Cash Balance Account at that time.

What is the normal form of benefit?

The normal form of benefit under the Plan is different for married and unmarried members.

If you are **unmarried**, you will receive your pension benefit in a lifetime annuity, paid in monthly payments for your lifetime. At your death no further benefits will be available for any beneficiary.

If you are **married**, you will receive a 50% joint and survivor annuity payable for the life of you and your Spouse, which provides you with an actuarially reduced benefit for your lifetime, with payments continuing your Spouse after your death equal to 50% of the reduced benefit you received during your lifetime. Your "**Spouse**"[9] is the individual to whom you are legally married on the date the you begin receiving benefits u the Plan. If you are age 55 or older at the time benefit payments begin, your benefit under the joint and surv annuity is reduced to 90% of the amount otherwise payable to you under the Plan. It is further reduced by (for each year by which your Spouse is more than five years younger than you, and increased by 0.5% for ea year by which your Spouse is more than five years older than you. If you are younger than age 55 when be

[8] If you have a Final Average Pay benefit that was not converted as part of your Cash Balance Account, in addition to a separate Cash Balance Account, payment of your non-converted Final Average Pay benefit will be determined in accordance with the terms of the Final Average Pay Plan Document as explained in the Summary Plan Description for the Final Average Pay provisions.

[9] Federal law defines "spouse" for purposes of this Plan as an individual of the opposite sex to the member to whom the individual is legally married.

payments begin, the joint and survivor annuity will be equal to the actuarial equivalent of the lifetime annui payable for your lifetime as of the date benefit payments begin. In no event will your adjusted pension exce the amount of your normal pension benefit payable or, if applicable, your vested benefit.

How can I receive my benefit payment besides the normal form of benefit?

You may elect an optional form of benefit, described below, in lieu of receiving the normal form of benefit under the Plan. However, if you are married and would like to elect an optional form of benefit other than a 100% joint and survivor annuity or a 75% joint and survivor annuity, your election will not be valid unless you obtain your Spouse's written consent to your election, signed before a notary public. The Plan provides the following optional forms of benefits:

- Joint and Survivor Option
- Guaranteed Payment Option
- Single Life Annuity Option
- Lump Sum Option

Joint and Survivor Annuity Option

The joint and survivor annuity option is available only to married members. Under this option, the benefit you receive during your lifetime is reduced so that when you die your Spouse will continue to receive monthly income for the remainder of his or her lifetime. The normal form of the joint and survivor annuity option is a 50% joint and survivor annuity.

Instead of the normal 50% joint and survivor annuity, if you are age 55 or older at the time benefit payments begin, you can choose to have your surviving Spouse receive either 100% or 75% of a reduced pension (see the chart on page 18) after your death for your surviving Spouse's remaining lifetime.

If you are younger than age 55 at the time benefit payments begin, you can choose to have your surviving Spouse receive 75% of a reduced pension (see the chart on page 18) after your death for your surviving Spouse's remaining lifetime instead of the normal 50% joint and survivor annuity.

Because payments are made over the course of two lifetimes rather than just for your lifetime, choosing this option causes a reduction in the pension benefit payable during your lifetime. (Be aware that if you elect a joint and survivor annuity option and your Spouse predeceases you, your benefit does not change to an unreduced life annuity benefit.) The applicable reductions are determined as follows:

1. If you are age 55 or older at the time benefit payments begin and there is an age difference of five years or less between you and your Spouse, the amount of the pension benefit payable to you is reduced to equal 80% (if you choose the 100% continuation option) or 85% (if you choose the 75% continuation option) of the pension otherwise payable in the absence of electing this option.

2. If you are age 55 or older at the time benefit payments begin and the difference in age between you and your Spouse is more than five years, your benefit will be further adjusted to reflect this difference. The pension payable will be further reduced by 0.5% for each year by which your Spouse is more than five years younger than you

and increased by 0.5% for each year by which your Spouse is older. Partial years are rounded to the nearest whole year.

3. If you are younger than age 55 at the time benefit payments begin, your benefit under the joint and survivor option will be equal to the actuarial equivalent of the lifetime annuity payable for your lifetime as of the date benefit payments begin.

The following chart shows a comparison of the reduction in your pension benefit payable if you are age 55 or older at the time benefit payments begin based on the joint and survivor option selected:

Continuation Option Selected	***Age Difference Between You and Your Spouse***	***Reduction in Pension Benefit Payable to Member***	***Net Pension Benefit Payable to Member***
100%	5 years or less	20%	80%
100%	More than 5 years	20% PLUS 0.5% TIMES (# of years your Spouse is more than 5 years younger than you) OR 20% LESS 0.5% TIMES (# of years your Spouse is more than 5 years older than you)	80% +/- adjustment for years your Spouse is more than five years younger/older than you
75%	5 years or less	15%	85%
75%	More than 5 years	15% PLUS 0.5% TIMES (# of years your Spouse is more than 5 years younger than you) OR 15% LESS 0.5% TIMES (# of years your Spouse is more than 5 years older than you)	85% +/- adjustment for years your Spouse is more than five years younger/older than you
50% (default option if no continuation option selected)	5 years or less	10%	90%
50% (default option if no continuation option selected)	More than 5 years	10% PLUS 0.5% TIMES (# of years your Spouse is more than 5 years younger than you) OR 10% LESS 0.5% TIMES (# of years your Spouse is more than 5 years older than you)	90% +/- adjustment for years your Spouse is more than five years younger/older than you

Joint and Survivor Examples:

<u>Spouse More than 5 Years Younger and Member age 55 or older</u>

If you are age 55 or older and your Spouse is 11 years *younger* than you and you choose the 75% continuation option, your benefit will be reduced as follows:

ASSUMPTIONS:	
Age of Member	55
Age of Spouse	44
Joint and Survivor Benefit before Reduction:	$900 / month
APPLYING THE FORMULA:	
Reduction = 15%	
PLUS	
0.5 % x 6 years (55 – 44 – 5), or 3% = 18%	
Amount of reduction = 18% * $900	($162)
Benefit after Reduction:	$738/ month

Spouse More than 5 Years Older and Member age 55 or older

If you are age 55 or older and your Spouse is 11 years *older* than you and you choose the 75% continuation option, your benefit will be reduced as follows:

ASSUMPTIONS:	
Age of Member	55
Age of Spouse	66
Joint and Survivor Benefit before Reduction:	$900 / month
APPLYING THE FORMULA:	
Reduction = 15%	
LESS	
0.5 % x 6 years (66 – 55 – 5), or 3% = 12%	
Amount of reduction = 12% * $900	($108)
Benefit after Reduction:	$792/ month

Single Life Annuity Option

Under this option, you can elect that your Cash Balance Account be converted into an actuarially equivalent single life annuity payable for your lifetime only. If you are married you must obtain your Spouse's written notarized consent to elect this option. This is the normal form of benefit for unmarried members.

Guaranteed Payment Option

This option is available to both married and unmarried members who are age 55 or older at the annuity starting date. If you elect this option, you receive monthly income for life. This option allows you to choose a designated number of guaranteed monthly payments. If you die before receiving all of those payments, your beneficiary will continue receiving payments until the designated number have been received. The Plan offers two periods of guaranteed monthly payments, a 60-month minimum guarantee and a 120-month minimum guarantee.

If you select this option, your Cash Balance Account will be converted to an actuarially equivalent single life annuity that is reduced to cover the cost of the guarantee. The amount of your pension benefit is reduced by 3% if you choose the 60-month option, and is reduced by 7% if you choose the 120-month option.

Lump Sum Option

Under this option, you will receive a single lump sum payment equal to the value of your Cash Balance Account balance.

Lump sum payments are "eligible rollover distributions" for the purposes of federal income tax, and are subject to special tax rules. You can elect to have all or a portion of your lump sum payment directly rolled over by the Trustee of the Plan in a direct rollover distribution to an eligible retirement plan that accepts the rollover, such as a qualified plan like the BD 401(k) Plan or an individual retirement account ("IRA"). If you make this election, a check for the eligible rollover amount will be issued payable to the trustee of the IRA or qualified plan. You may also divide the eligible rollover distribution to make two separate direct rollovers to two different eligible retirement plans. However, you may not roll your distribution over to more than two eligible retirement plans. More information on eligible rollover distributions and direct rollovers will be provided to you by the Plan Administrator.

If any part of an eligible rollover distribution is not directly rolled over, the Plan is required by law to withhold 20% of the taxable amount. For example, if you choose to roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, the entire $10,000 is reported on your tax return as taxable income, and the $2,000 is reported as tax withheld and credited against any tax owed for the year. If you choose to have an eligible rollover distribution paid to you, you will have 60 days to roll over all or a portion of the amount into an IRA or qualified plan without having to report the entire $10,000 as a taxable payment from the Plan.

If your payment is not an eligible rollover distribution, it is not subject to the mandatory 20% tax withholding.

If your employment terminates before you reach age 55 and you receive a lump sum distribution of your Cash Balance Account at that time, your distribution will be includable in gross income and an additional 10% "early payment" tax will apply unless your distribution is a result of death or certain disabilities or the payment is directly rolled over to another eligible retirement plan.

You will receive a notice upon retirement or termination of employment that will explain these rules to you in greater detail. The federal tax consequences for distributions from eligible retirement plans are complex and change frequently. For further information on the tax consequences of distributions and rollovers, you should consult your tax advisor.

More detailed information regarding the forms of payments under the Plan and the right to elect optional forms is provided to members prior to their benefit commencement dates.

Automatic Lump Sum Distribution

If the sum of your Cash Balance Account balance and the lump sum actuarial equivalent of your Final Average Pay Plan benefit, if any, is $1,000 or less when you terminate or retire, the Plan will automatically pay you your benefit as a one-time lump sum distribution. This amount is also an eligible rollover distribution subject to the rollover rules discussed above. If the sum of your Cash Balance Account balance and the lump sum actuarial equivalent of your Final Average Pay Plan benefit, if any, is greater than $1,000 but less than $5,000, you have the option to elect a lump sum distribution of your benefit and no spousal consent will be required for such distribution. No annuity options are available if the sum of your Cash Balance Account balance and the lump sum actuarial equivalent of your Final Average Pay Plan benefit, if any, is greater than $1,000 but less than $5,000.

Required Distributions Beginning at Age 70 ½

If you reach age 70 ½, you must begin to receive distributions from the Plan no later than April 1 of the calendar year following the year in which you attained age 70 ½, even if you continue to work after reaching that age. You may elect to receive these distributions from the Plan under one of the optional forms of benefit available to retirees under the Plan, discussed above. If your payments begin while you are employed, the optional form of payment you elect will continue until you retire. Your Spouse must consent to any optional form of benefit you elect other than the joint and survivor benefit options. If you do not elect a payment option, you will receive payments in the normal form of payment (discussed above) within the time frames prescribed by the IRS equal to the minimum amount required to be distributed to you under IRS rules.

Regardless of the payment form you elect, your benefit amount will be adjusted each January 1 for any additional benefits due under the Plan. When you retire, you will be given an opportunity to elect another benefit payment form, or you may continue the form that you elected prior to your retirement.

Making Your Benefits Choices

Pension benefits under the Plan generally do not begin until you apply for them on forms supplied by the Plan Administrator or its designee. This section describes the procedure to follow when electing a payment option for your pension benefit. If you are married and choose an option other than a joint and survivor annuity benefit, the law requires that you submit your Spouse's written notarized consent. This consent should be submitted with your completed payment election forms. To be valid, your Spouse's consent to waive the joint and survivor benefit as well as to the form of benefit elected must be filed no more than 180 days before your annuity starting date (the date as of which benefits payments begin). In addition, the Plan Administrator's designee must receive your election form at least 30 days before your annuity starting date. Therefore, you should complete your election form and return it to Benefits Direct at least 30 days, but no more than 180 days, before you want your pension income to begin. You may elect (with the written consent of your Spouse) to waive the requirement that written notification be provided at least 30 days before your annuity starting date. In that case, your annuity starting date will be a date that is at least seven days after you are provided with an explanation of your distribution options.

You will receive a written explanation of your benefits within a reasonable time before you retire, including:

- a description of the automatic joint and survivor benefit and the spousal consent rules (if you are married),

- an estimate of the benefits available under the automatic joint and survivor option,
- an estimate of the benefits available under the normal form of benefit,
- a detailed description of the various benefit options available under the Plan,
- the lump sum benefit available, and
- relative values of the optional forms of benefit available to you under the Plan compared to the normal form of benefit.

You will also receive a benefit election form that requires information necessary to process your claim for benefits, including certification of your marital status, your Spouse's name and date of birth, your choice of payment option, and, if applicable, the name and social security number of your beneficiary (if other than your Spouse).

If you change your mind about the payment option you selected before your benefits begin, you can file a new election form with Benefits Direct. Like the original election form, any new election form must be filed no more than 180 days before your annuity starting date and must be received by the Plan Administrator's designee at least 30 days before your annuity starting date (unless you waive that requirement, as described above).

Remember, if you are married and choose an option other than a joint and survivor benefit, you must have your Spouse's written, notarized consent. Also, you cannot change your election after pension payments begin. If you elect a joint and survivor option, and your Spouse predeceases you, your benefit does not change to an unreduced single life annuity benefit.

Whether you choose the normal or optional form of benefit, you will be given the option of having income taxes withheld from the payments you receive before your monthly benefit begins. Regardless of your withholding election, you are responsible for estimating and paying all income taxes owed. *It is important to remember that the amount withheld may not represent your actual tax liability.*

If you do not file your election form with the Plan Administrator's designee before benefits are scheduled to begin, it will be assumed that you have selected the normal form of payment.

PRE-RETIREMENT DEATH BENEFIT

If you are married and you die after you have completed at least three years of Vesting Service, but before you begin receiving pension benefit payments, a death benefit is automatically paid to your surviving Spouse. This death benefit is determined as if you had retired on your date of death, elected to receive your benefit under the qualified 50% joint and survivor annuity option, and died immediately after making the election. Your surviving Spouse can elect when to receive payment of the death benefit if you are not yet age 65 at your date of death, and can elect to receive this benefit in a single lump sum payment equal to the value of your Cash Balance Account balance. This pre-retirement surviving Spouse benefit will be paid to your eligible Spouse on **EITHER**:

(A) *If Spouse makes an election:*

- The first day of any month that is after the first day of the month following your date of death, but not later than the first day of the month in which you would have turned age 65.

OR

(B) *If Spouse does NOT make an election:*

- If your surviving Spouse does not elect Option A above, or you are age 65 or older on your date of death, the first day of the month following the date of your death.

If your Spouse elects to receive the benefit in a single lump sum payment, in lieu of the annuity form, this payment will be made no later than as soon as practicable after the first day of the month in which you would have turned age 65, or, if you are age 65 or older as of your date of death, as soon as practicable after your death. For your Spouse to be eligible for this benefit, you must be legally married to your surviving Spouse on the date of your death or your Spouse must be entitled to the benefit by reason of a Qualified Domestic Relation Order. See below for further discussion of Qualified Domestic Relations Orders.

In addition, married members may designate a beneficiary other than their surviving Spouse to receive a single sum payment of the pre-retirement death benefit (annuity options are not available to non-Spouse beneficiaries). However, your Spouse must consent to this election in writing before a notary public. In addition, if you elect a non-Spouse beneficiary before you reach age 35, this election will become invalid on the first day of the Plan Year in which you reach age 35. At that time, you may make a new election of a non-Spouse beneficiary with your Spouse's written, notarized consent. If you fail to make such a new election, your pre-retirement death benefit will be payable only to your Spouse, and not to your previously designated non-Spouse beneficiary.

Unmarried members also receive a pre-retirement death benefit that is paid to a beneficiary elected by the member. The amount paid to the beneficiary of an unmarried member is a lump sum equal to the value of the member's Cash Balance Account balance as of the last day of the month before the payment date, which will be as soon as administratively practicable after your date of death.

If the value of your pre-retirement death benefit under the Plan, including any Final Average Pay Plan pre-retirement benefit, does not exceed $5,000, your surviving Spouse or beneficiary will receive a lump sum payment of the benefit as soon as practicable following your death.

If you die <u>after</u> pension benefit payments begin, any death benefits depend on what option you selected. See the discussion **Payment of Your Cash Balance Account** on page 15 for more information.

ASSIGNMENT OF BENEFITS

Your benefits under the Plan are not assignable or subject to the claim of any creditor. However, if you are filing for a divorce, your Spouse may be entitled to a portion of your Plan benefit as required by a Qualified Domestic Relations Order ("QDRO"). A QDRO is any judgment, decree or order (including certain property settlement agreements) that provides for child support, alimony and/or marital property rights to a Spouse, former Spouse, child or other dependent of the member under state domestic relations law, including community property law.

A QDRO must meet certain Plan and administrative requirements to be honored by the Plan. The Plan Administrator has the authority to administer QDROs and implement administrative rules governing the administration of QDROs. Payments from the Cash Balance portion of the Plan may be made or commence to be paid under the terms of a QDRO at any time after the effective date that the QDRO is qualified by the Plan Administrator.

Please contact the Plan Administrator before the QDRO is made a final order of a court to confirm the validity of the QDRO. To ease this process, you or your Spouse may obtain a copy of the Plan's QDRO procedures and a model QDRO document applicable to the Plan from the Plan Administrator without charge.

LOSS, REDUCTION, OR DELAY OF BENEFITS

You or your beneficiary may not receive a pension, or your pension may be reduced, in the following situations:

- If you resign or are discharged before you reach Normal Retirement Age and before you have completed three years of Vesting Service, you are not entitled to any benefits from the Plan.
- If you fail to provide the Plan Administrator with proof of your date of birth, benefits may be delayed until you do so.
- If a survivor fails to provide the Plan Administrator with proof of death, benefits may be delayed.
- If a QDRO (defined above) issued by a domestic relations court and determined by the Plan Administrator to meet the requirements of federal law requires that all or a portion of your pension benefit be paid to, or held for the benefit of, an alternate payee, you will not be entitled to receive that amount.
- If your Plan benefit would exceed the benefit limitations prescribed by federal law (discussed below on page 26 under **Maximum Benefits**), your benefit from the Plan will be limited to meet federal requirements.

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

Because the Plan is a defined benefit plan, your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), an insurance agency of the federal government. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's Normal Retirement Age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from the Company.

For more information about the PBGC and the benefits it guarantees, contact the Plan Administrator or the PBGC's Technical Assistance Division. Inquiries to the PBGC should be directed to:

> Technical Assistance Division
> Pension Benefit Guaranty Corporation
> 1200 K Street, N.W.
> Suite 930
> Washington, D.C. 20005-4026

You also can contact PBGC's Technical Assistance Division by calling 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

ADMINISTRATION OF THE PLAN

The Becton, Dickinson and Company Plan Administrative Committee (the "Committee") administers the Plan as the Plan Administrator. The Committee is appointed by and serves at the pleasure of the Company's Board of Directors. The Committee is responsible for (a) interpreting or construing the Plan, (b) determining all questions of eligibility, (c) determining the classification, status and rights of associates, members and beneficiaries of members, (d) determining the amount, manner, time and type of any distribution hereunder, (e) fixing minimum periods of notice where notice is required, and (f) day-to-day operations of the Plan, all in a manner not inconsistent with the terms of the Plan. Benefits under the Plan will be paid only if the Committee (or its delegate) determines in its discretion that the member (or beneficiary) is entitled to them. All rules and decisions of the Committee shall be consistently applied to all persons in similar circumstances and shall be conclusive and binding upon all persons affected thereby. The Committee establishes all administrative rules and makes any interpretations necessary under the Plan. The Committee has the discretionary authority to construe and interpret Plan terms, to determine eligibility for benefits and to construe the terms of the Plan, and all such decisions will be final, conclusive and binding and will be subject to the arbitrary and capricious or abuse of discretion standard of judicial review.

The Committee has the authority to appoint and delegate certain of its responsibilities to one or more named fiduciaries. In addition, the Committee has the authority to delegate or allocate to a person who is not a member of the Committee any fiduciary or non-fiduciary duty. Any questions you may have regarding the particular circumstances affecting your own benefits such as the length of service, the determination of your age, etc. should be directed to the Committee or any named fiduciary.

INVESTMENT OF ASSETS

Under the Plan, the Investment Committee consists of the Company's Chief Financial Officer and any other individuals designated by the Company's Chief Financial Officer. The Investment Committee is the named investment fiduciary of the Plan and is responsible for establishing investment guidelines, establishing and carrying out a funding policy and method, for designating one or more Investment Managers and for monitoring the activities of the Investment Managers. The Investment Committee has the authority to delegate or allocate to a person who is not a member of the Investment Committee any fiduciary or non-fiduciary duty.

MAXIMUM BENEFITS

Federal law sets a maximum on the annual annuity amount of benefit you can receive from the Plan. Federal law also sets a maximum on the amount of compensation that can be recognized for purposes of determining Average Final Compensation. For 2016 and 2017, the annual compensation limits are $265,000 and $270,000, respectively. This limit may be subject to change in future years to reflect changes in the cost of living.

Another federal law requires that the Plan be tested periodically to see if certain higher paid employees of the Company are earning more than 60% of the total benefits provided by the Plan. It is very unlikely that this will ever happen. However, if it does happen, the Company could be required to make modifications to the Plan affecting all members. These may include increased benefits, or an increase in the rate at which benefits become vested, depending upon the particular provisions of the Plan.

You will be notified by the Plan Administrator if any of these limits apply to you.

UPDATING YOUR ADDRESS

Members, former members, Spouses, beneficiaries and other individuals who are to receive benefits are urged to keep the Plan Administrator advised of current addresses and names so that benefits can be paid properly.

COST OF THE PLAN

Plan administrative and investment expenses, including premiums payable to the PBGC, are payable from the Plan. To the extent such expenses are not paid by the Plan, they can be paid for by the Company. The Company currently pays many of the expenses of administering the Plan.

PLANS FOR THE FUTURE

Being a member in the Plan does not give an associate the right to remain employed with the Company. The Company expects and intends to continue this Plan indefinitely, but must reserve the right to amend or terminate all or parts of the Plan, at any time at its discretion. If the Company terminates the Plan, in full or part, each affected member's Cash Balance Account, to the extent funded, will become fully vested as of the date of the full or partial termination. Upon Plan termination, after reserving an amount sufficient to pay all applicable Plan expenses and charges, the Trustee will allocate the assets of the Trust Fund among the members or beneficiaries, as directed by the Committee. After paying all Plan expenses and benefits, any remaining assets will revert to the Company. If the Plan is amended, your existing rights to your Plan accrued benefit will be protected as required by law.

CLAIMS AND APPEALS

When you terminate or retire and want to receive your benefits from the Plan, you will need to file a claim with the Committee, as the Plan Administrator. If the Plan Administrator fully or partially denies your claim, you will be provided, within 30 days of the date the Plan Administrator receives your application, a written notice stating: (i) the specific reason or reasons your claim was denied; (ii) the exact references to the Plan provisions that dealt with your claim, and why it was denied; (iii) a description of any additional information or information necessary for you to revise and perfect your claim, and an explanation as to why such material or information is necessary; and (iv) an explanation of the Plan's claims procedure.

If you believe an error has occurred in your records or in processing your application, you should be aware that an appeals procedure is available. Within 60 days after you have received the written denial from the Plan Administrator, you have the opportunity to appeal the claim denial to the Plan Administrator for a full and fair review. You, or your authorized representative, may (i) request a review, in writing, to the Plan Administrator; (ii) request, in writing, to review applicable documents; and (iii) submit comments and issues in writing. Whenever possible, you should also send copies of any document or records that support your appeal. You should direct your request to:

Plan Administrative Committee
Becton Dickinson and Company
1 Becton Drive, MC 068
Franklin Lakes, New Jersey 07417

After you have made the request for appeal, the Plan Administrator will reconsider your application and make its decision no later than 60 days after it receives your request for a review. If special circumstances require an extension of time, the Plan Administrator will notify you of the delay, and will generally reach a decision within 120 days after it receives your request for review. The Plan Administrator's decision on the review will be written, and will include specific reasons for the decision and references to the Plan provision on which that the decision is based. The Plan Administrator has the exclusive right to interpret the provisions of the Plan (consistent with existing law), and its decision is conclusive and binding on all parties.

No action at law or in equity may be brought to recover under this Plan until the appeal rights herein provided have been exercised and the Plan benefits requested in such appeal have been denied in whole or in part.

YOUR RIGHTS AS A MEMBER

As a member of the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan members shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration;

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies;

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each member with a copy of this summary annual report;

- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan members, ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan members and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court after you have fully exhausted the Plan's administrative remedies as described above (see **Claims and Appeals**, page 27). In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefit Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefit Security Administration.

ADDITIONAL PLAN INFORMATION

This section describes certain administrative information relating to the Plan:

Name of Plan:	BD Retirement Plan[10]
Name and Address of Plan Sponsor:	Becton, Dickinson and Company 1 Becton Drive Franklin Lakes, New Jersey 07417-1880 Telephone (201) 847-6800
Federal EIN of Plan Sponsor:	22-0760120
Plan Identification Number:	004
Plan Year:	The financial records of the Plan are kept on a fiscal year basis ending September 30.
Name and Address of Plan Administrator:	Plan Administrative Committee Becton, Dickinson and Company 1 Becton Drive, MC 068 Franklin Lakes, New Jersey 07417 Telephone (201) 847-6800 In addition, the Plan Administrator may delegate certain ministerial and other functions to service providers, such as the Plan's actuary or any other designee (such as Benefits Direct).
Type of Plan:	Defined benefit plan as defined by the Employee Retirement Income Security Act of 1974. Contributions necessary to fund the Plan are determined annually by an independent actuary. The Company makes all contributions to the Plan; associates are neither required nor permitted to make contributions to the Plan.
Plan Trustee:	The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675 Telephone (312) 630-6000
Agent for Service of Legal Process:	Plan Administrative Committee Becton, Dickinson and Company 1 Becton Drive, MC 068 Franklin Lakes, NJ 07417-1880 Process also may be served upon the Plan's Trustee.

[10] The Plan was previously known as the Becton, Dickinson and Company Retirement Plan prior to being renamed effective January 1, 2017.

APPENDIX A
Groups With Separate Benefit Provisions in the Plan

This Summary Plan Description describes the provisions of the Plan as it applies generally to Cash Balance Plan members. Certain members of the Plan were also participants in other retirement plans which have been merged into the Plan, or retirement plans of companies which have been acquired by the Company. Some of the provisions applicable to these members are different from the provisions described in the Summary Plan Description. The following is a summary of these groups:

- Former participants in the Retirement Plan of Johnson & Johnson Affiliated Companies as in effect on May 31, 1987 who became members of the Plan on June 1, 1987, have a minimum Final Average Pay Plan benefit. If any such individuals were eligible to elect to become Cash Balance Plan members and did so pursuant to the Plan provisions, such member's Final Average Pay benefit determined under the terms of the Plan (including years of service credited under the Retirement Plan of Johnson & Johnson Affiliated Companies) was converted to a Cash Balance Plan opening account as of July 1, 2007. Upon distribution of such member's Cash Balance Account, the amount of the Cash Balance Account distribution attributable to the member's service prior to June 1, 1987 shall be reduced by the benefit payable to the member under the Retirement Plan of Johnson & Johnson Affiliated Companies. If any such member remained covered as a Final Average Pay Plan member under the Plan and later became covered as a Cash Balance member (due to rehire or any other reason), the member's benefit shall consist of two parts as follows: (1) a benefit attributable to the Final Average Pay Plan benefit (which shall be governed by the terms of the Johnson & Johnson appendix of the Plan); and (2) a Cash Balance Account benefit (which shall be governed by the Cash Balance Plan provisions of the Plan).

- Former participants in the Difco Laboratories, Incorporated Employees' Pension Plan as in effect on February 28, 2003 (the "Difco Pension Plan") who became members of the Plan on March 1, 2003 have benefits determined based on whether they were employed by the Company thereafter. If those former participants never became associates of the Company and covered as active members of the Plan, their benefits were determined solely under the terms of the Difco Pension Plan appendix to the Plan. If those former participants in the Difco Pension Plan became members of the Plan, their benefits were determined as the sum of their Difco Pension Plan benefit through the date they became active members of the Plan (their "frozen Difco Pension Plan benefit") plus a Final Average Pay plan benefit for future periods of participation as members in this Plan.

    - <u>2007 Cash Balance Choice</u>. If any such individuals were eligible to elect to become Cash Balance Plan members and did so pursuant to the Plan provisions, their Final Average Pay benefit (not including any frozen Difco Pension Plan benefit) was converted to a Cash Balance Plan opening account and their frozen Difco Pension Plan benefit was maintained as a separate benefit. The terms of the Difco Pension Plan appendix of the Plan govern the frozen Difco Pension Plan benefit and the terms of the Cash Balance Plan govern the portion of such member's benefit that is attributable to the Cash Balance Account. If any such member remained covered as a Final Average Pay Plan member under the Plan and later became covered as a Cash Balance Plan member (due to rehire or any other reason), the member's benefit shall consist of three parts as follows: (1) a benefit attributable to the frozen Difco Pension Plan benefit (which shall be governed by the terms of the Difco Pension Plan appendix to the Plan); (2) a benefit attributable to the Final Average Pay Plan benefit (which shall be governed by the Final Average Pay Plan provisions of the Plan); and (3) a Cash Balance Account benefit (which shall be governed by the Cash Balance Plan provisions of the Plan). The frozen Difco Pension Plan benefit is generally based on a member's average compensation over five years of employment (or the member's period of employment, if less than five years). If a Plan member transferred employment from Difco to BD, his compensation paid from BD will be taken into account in calculating his average compensation for this purpose, to the extent the compensation paid by BD otherwise meets the definition of "compensation" under the Difco Pension Plan and is not otherwise excludable under the Difco Pension Plan. However, if a Plan member terminates employment with Difco and is subsequently reemployed by BD, only the compensation paid from Difco will be taken into account in calculating the member's average compensation for this purpose.

- <u>2013 Cash Balance Conversion</u>. Notwithstanding the foregoing, any current or former Difco employee described above who was employed by BD and was covered under the Final Average Pay Plan formula on December 31, 2012 automatically became covered under the Cash Balance Plan formula effective as of January 1, 2013. Such a member's Final Average Pay benefit (not including any frozen Difco Pension Plan benefit) was converted to a Cash Balance Plan opening account in accordance with the provisions of the Cash Balance Plan and his benefit will consist of two parts as follows: (i) a benefit attributable to the frozen Difco Pension Plan benefit (which shall be governed by the terms of Appendix G to the Final Average Pay Plan Document), plus (ii) a Cash Balance Plan Account benefit (which shall be governed by the Cash Balance Plan Document). If any such member remained covered under the Final Average Pay Plan formula as of January 1, 2013 because he was not employed by BD on December 31, 2012 and such member later became covered under the Cash Balance Plan formula (due to rehire or any other reason), the member's benefit shall consist of three parts as follows: (1) a benefit attributable to the frozen Difco Pension Plan benefit (which shall be governed by the terms of Appendix G to the Final Average Pay Plan Document); (2) a benefit attributable to the Final Average Pay Plan benefit (which shall be governed by the Final Average Pay Plan Document); and (3) a Cash Balance Plan Account benefit (which shall be governed by the Cash Balance Plan Document).

If you are a member of one of these groups, and you have any questions about how your benefit is determined, please contact the Plan Administrator.

APPENDIX B
Members Electing to Convert to Cash Balance Plan Formula in 2007

Members Electing To Convert to Cash Balance Plan Formula.. Generally, to be able to convert your prior Final Average Pay Plan benefit to an opening Cash Balance Account in 2007, you had to meet the following requirements:[11]

(1) you were employed on April 1, 2007 and had a prior Final Average Pay Plan benefit;
(2) you remained employed on April 23, 2007, the opening date of the choice period;
(3) you elected to convert your Final Average Pay plan benefit to an opening Cash Balance Account before the closing date of the choice period; **and**
(4) you remained employed as a member on July 1, 2007.[12]

If you elected to convert your prior Final Average Pay Plan benefit to an opening Cash Balance Account, your opening Cash Balance Account balance was determined by:

- Calculating your Final Average Pay Plan accrued benefit under the Final Average Pay Plan formula in effect as of the date immediately before you became a Cash Balance Plan member, payable as of the date you reach age 62, or payable at your current age, if greater than age 62;

- Calculating the actuarially equivalent lump sum present value of this benefit using the IRS interest and mortality assumptions in effect on the effective date of your election to become a Cash Balance Plan member; and

- Crediting this amount to your Cash Balance Account as of the date you became a Cash Balance Plan member.[13]

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[11] If a member otherwise eligible to make an election failed to make an effective election before the closing date of the choice period because the member was engaged in active qualified military service before the closing date of the choice period, the member was allowed to make an election to convert his Final Average Pay Plan benefit to a Cash Balance Plan benefit as of the date the member returned to active employment with the Company, if the member was reemployed within the time period provided under applicable legal requirements for the reemployment of military personnel.

[12] For most Cash Balance Plan members who previously participated in the Final Average Pay Plan, this opening Cash Balance Account was determined using the June 30, 2007 accrued benefit under the Final Average Pay Plan formula. Members who were on a military leave of absence during the choice period could elect to convert their Final Average Pay Plan benefit upon rejoining the Plan following completion of their military service as long as they were reemployed with the Company within the time period required under applicable law governing the reemployment rights of military personnel. Their opening Cash Balance Account was based on their accrued benefit under the Final Average Pay Plan formula as of the effective date of their election.

[13] If a Cash Balance Plan member previously participated in the Final Average Pay Plan, the benefit for that member under the Cash Balance Plan can never be less than the sum of the benefit earned by that member under the Final Average Pay Plan immediately prior to becoming a Cash Balance Plan member, plus future Pay Credits and Interest Credits under the Cash Balance Plan formula.