

BECTON DICKINSON & CO

Form S-4/A

December 15, 2014

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As Filed with the Securities and Exchange Commission on December 15, 2014

Registration No. 333-199830

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Amendment No. 1**

**to**

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**BECTON, DICKINSON AND COMPANY**

**(Exact Name of Registrant as Specified in Its Charter)**

**New Jersey**  
**(State of Incorporation)**

**3841**  
**(Primary Standard Industrial**  
**Classification Code Number)**  
**1 Becton Drive**

**22-0760120**  
**(IRS Employer**  
**Identification No.)**

**Franklin Lakes, New Jersey 07417**

**Telephone: (201) 847-6800**

**(Address, including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)**

**Jeffrey S. Sherman**

**Senior Vice President and General Counsel**

**1 Becton Drive**

**Franklin Lakes, New Jersey 07417**

**Telephone: (201) 847-6800**

**(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)**

*With a copy to:*

**David A. Katz, Esq.**

**Joan Stafslien**

**Paul T. Schnell, Esq.**

**David K. Lam, Esq.**

**Executive Vice President,**

**Thomas W. Greenberg, Esq.**

**Wachtell, Lipton, Rosen & Katz**

**General Counsel and Corporate**  
**Secretary**

**Michael Chitwood, Esq.**

**51 West 52nd Street**

**CareFusion Corporation**

**Skadden, Arps, Slate, Meagher &**  
**Flom LLP**

**New York, New York 10019**

**3750 Torrey View Court**

**Four Times Square**

**(212) 403-1000**

**San Diego, CA 92130**

**New York, New York 10036**

**(858) 617-2000**

**(212) 735-3000**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement is declared effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee

Common stock, par value \$1.00 per share	216,216,106(1)	N/A	\$2,166,485,382.12(2)	\$251,745.60(3)
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- (1) Represents the estimated maximum number of shares of common stock, par value \$1.00 per share, of the registrant ( BD common stock ) to be issued upon completion of the merger described in the proxy statement/prospectus contained herein (the merger ) and is based upon the number of shares of common stock, par value \$0.01 per share, of CareFusion Corporation ( CareFusion common stock ) outstanding as of December 1, 2014 plus the number of shares of CareFusion common stock reserved for issuance under various equity plans in respect of outstanding equity awards as of December 1, 2014 that may be issued in the future pursuant to the terms of the merger agreement, and the exchange of each such share of CareFusion common stock for 0.0777 of a share of BD common stock, which is the exchange ratio under the merger agreement.
- (2) Pursuant to Rules 457(c), 457(f)(1) and 457(f)(3) promulgated under the Securities Act and solely for the purpose of calculating the registration fee, the proposed aggregate maximum offering price is the product of (x) \$59.02 (the average of the high and low prices of CareFusion common stock as reported on the New York Stock Exchange on December 10, 2014), less the cash consideration to be paid in the merger of \$49.00 per share and (y) 216,216,106, the estimated maximum number of shares of CareFusion common stock that may be exchanged for the merger consideration, including shares reserved for issuance under various equity plans and shares that may be issued in the future pursuant to the terms of the merger agreement.
- (3) Computed in accordance with Rule 457(f) under the Securities Act to be \$251,745.60, which is equal to 0.0001162 multiplied by the proposed maximum aggregate offering price of \$2,166,485,382.12. BD has previously paid \$209,195.49 of this filing fee upon the filing of the Form S-4 on November 4, 2014. Due to an increase in the number of shares of CareFusion common stock outstanding, the Registrant is paying an additional fee of \$42,550.11 herewith.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.**

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**The information in this proxy statement/prospectus is not complete and may be changed. Becton, Dickinson and Company may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities, and Becton, Dickinson and Company is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION, DATED DECEMBER 15, 2014**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

[ ]

Dear CareFusion Stockholder:

On October 5, 2014, CareFusion Corporation, or CareFusion, and Becton, Dickinson and Company, or BD, entered into an Agreement and Plan of Merger, which we refer to as the merger agreement, that provides for the acquisition of CareFusion by BD. Under the terms of the merger agreement, a subsidiary of BD will merge with and into CareFusion, with CareFusion surviving the merger as a wholly owned subsidiary of BD.

If the merger is completed, you will be entitled to receive for each share of CareFusion common stock \$49.00 in cash, without interest, and 0.0777 of a share of BD common stock. Based on the number of shares of CareFusion common stock outstanding as of October 3, 2014, and the number of shares of BD common stock outstanding as of October 3, 2014, it is expected that, immediately after completion of the merger, former CareFusion stockholders will own approximately 8% of the outstanding shares of BD common stock. The implied value of the stock portion of the merger consideration will fluctuate as the market price of BD common stock fluctuates. You should obtain current stock price quotations for BD common stock and CareFusion common stock before deciding how to vote with respect to the adoption of the merger agreement. The CareFusion common stock and the BD common stock are traded on the New York Stock Exchange under the symbols `CFN` and `BDX`, respectively.

**CareFusion's board of directors unanimously recommends that CareFusion stockholders vote FOR adoption of the merger agreement and FOR the approval of the other matters to be considered at the CareFusion special meeting.** In considering the recommendation of the board of directors of CareFusion, you should be aware that certain directors and executive officers of CareFusion will have interests in the merger that may be different from, or in addition to, the interests of CareFusion stockholders generally. See the section entitled `Interests of CareFusion's Directors and Executive Officers in the Merger` beginning on page 107 of the accompanying proxy statement/prospectus.

**Your vote is important.** The merger cannot be completed unless CareFusion stockholders holding at least a majority of the shares of CareFusion common stock outstanding as of the close of business on December 18, 2014, the record date for the special meeting, vote in favor of the adoption of the merger agreement at the special meeting. **The failure of any stockholder to vote will have the same effect as a vote against adopting the merger agreement.** Accordingly, whether or not you plan to attend the CareFusion special meeting, you are requested to promptly vote your shares by proxy electronically via the Internet, by telephone or by sending in the appropriate paper

**proxy card as instructed in these materials.**

The special meeting of CareFusion stockholders will be held on January 21, 2015 at CareFusion Headquarters, located at 3750 Torrey View Court, San Diego, CA, 92130, at 8:30 a.m. (Pacific Standard Time).

This proxy statement/prospectus describes the special meeting of CareFusion, the merger, the documents relating to the merger and other related matters. **Please read carefully the entire proxy statement/prospectus, including the section entitled Risk Factors beginning on page 41, for a discussion of the risks relating to the proposed merger, and the Annexes and documents incorporated by reference.**

Kieran T. Gallahue

*Chairman of the Board  
and*

*Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Merger or other transactions described in the attached proxy statement/prospectus or the securities to be issued pursuant to the merger under the attached proxy statement/prospectus nor have they determined if the attached proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement/prospectus is dated [ ] and is first being mailed to CareFusion stockholders on or about [ ].

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

Dear Stockholder:

You are cordially invited to attend a special meeting of CareFusion stockholders. The special meeting will be held on January 21, 2015, at 8:30 a.m. (Pacific Standard Time), at CareFusion Headquarters, located at 3750 Torrey View Court, San Diego, CA, 92130, to consider and vote upon the following matters:

1. a proposal to adopt the Agreement and Plan of Merger, dated as of October 5, 2014, as it may be amended from time to time, by and among CareFusion Corporation, a Delaware corporation, Becton, Dickinson and Company, a New Jersey corporation, and Griffin Sub, Inc. a Delaware corporation and a wholly owned subsidiary of Becton, Dickinson and Company;
2. a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger contemplated by the merger agreement; and
3. a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

The record date for the special meeting is December 18, 2014. Only stockholders of record as of the close of business on December 18, 2014 are entitled to notice of, and to vote at, the special meeting. All stockholders of record as of that date are cordially invited to attend the special meeting in person. Approval of the merger proposal requires the affirmative vote of the holders of at least a majority of the outstanding shares of CareFusion common stock entitled to vote thereon. The proposal to approve the merger-related executive compensation requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present.

**CareFusion's board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of CareFusion and its stockholders, and unanimously recommends that CareFusion stockholders vote FOR adoption of the merger agreement, FOR the proposal to approve the merger-related executive compensation and FOR the proposal to approve adjournment of the special meeting if there are insufficient votes at the time of the special meeting to adopt the merger agreement.** In considering the recommendation of the board of directors of CareFusion, you should be aware that certain directors and executive officers of CareFusion will have interests in the merger that may be different from, or in addition to, the interests of CareFusion stockholders generally. See the section entitled "Interests of CareFusion's Directors and Executive Officers in the Merger" beginning on page 107 of the accompanying proxy statement/prospectus.

**Your vote is very important, regardless of the number of shares of CareFusion common stock that you own.** We cannot complete the merger unless CareFusion's stockholders adopt the merger agreement.

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Even if you plan to attend the special meeting in person, CareFusion requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares of CareFusion common stock will be represented at the special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. If you fail to submit a proxy or to attend the special meeting in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of CareFusion common stock will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote AGAINST the adoption of the merger agreement.

**WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU ATTEND THE SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

By Order of the Board of Directors,

Joan B. Stafslie

Executive Vice President, General Counsel and  
Corporate Secretary

Dated:



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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about CareFusion and BD, from other documents that CareFusion and BD have filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that are contained in or incorporated by reference into this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 139 of this proxy statement/prospectus. This information is available for you to review at the SEC's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

**You may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning BD, without charge, by telephone or written request directed to: BD's Investor Relations Department at 1 Becton Drive Franklin Lakes, New Jersey 07417, telephone (201) 847-5378.**

**You may request copies of this proxy statement/prospectus and any of the documents incorporated by reference into this proxy statement/prospectus or other information concerning CareFusion, without charge, by telephone or written request directed to CareFusion's Investor Relations Department at 3750 Torrey View Court, San Diego, CA 92130, telephone (858) 617-4621; or Morrow & Co., LLC, CareFusion's proxy solicitor, at (800) 662-5200.**

**In order for you to receive timely delivery of the documents in advance of the special meeting of CareFusion stockholders to be held on January 21, 2015, you must request the information no later than five business days prior to the date of the special meeting, by January 13, 2015.**

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by BD (File No. 333-199830), constitutes a prospectus of BD under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of common stock, par value \$1.00 per share, of BD, which we refer to as BD common stock, to be issued to CareFusion stockholders pursuant to the Agreement and Plan of Merger, dated as of October 5, 2014, by and among CareFusion, BD and Griffin Sub, Inc., as it may be amended from time to time, which we refer to as the merger agreement. This document also constitutes a proxy statement of CareFusion under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting, at which CareFusion stockholders will be asked to consider and vote upon the adoption of the merger agreement.

BD has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to BD and Griffin Sub, Inc., which we refer to as Merger Corp, and CareFusion has supplied all such information relating to CareFusion.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. BD and CareFusion have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated [ ], and you should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date. Further, you should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to CareFusion stockholders

nor the issuance by BD of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.

**This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

The following questions and answers are intended to briefly address some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a CareFusion stockholder. Please refer to the section entitled *Summary* beginning on page 12 of this proxy statement/prospectus and the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to in this proxy statement/prospectus, which you should read carefully and in their entirety. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled *Where You Can Find More Information* beginning on page 139 of this proxy statement/prospectus.

**Q: Why am I receiving this proxy statement/prospectus and proxy card?**

A: CareFusion has agreed to be acquired by BD under the terms of the merger agreement that are described in this proxy statement/prospectus. If the merger agreement is adopted by CareFusion stockholders and the other conditions to closing under the merger agreement are satisfied or waived, Merger Corp will merge with and into CareFusion, with CareFusion, which we sometimes refer to as the surviving company, surviving the merger as a wholly owned subsidiary of BD.

CareFusion is holding a special meeting to ask its stockholders to consider and vote upon a proposal to adopt the merger agreement. CareFusion stockholders are also being asked to consider and vote upon (i) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger, and (ii) a proposal to grant authority to proxy holders to vote in favor of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

This proxy statement/prospectus includes important information about the merger, the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus, and the special meeting. CareFusion stockholders should read this information carefully and in its entirety. The enclosed voting materials allow stockholders to vote their shares without attending the special meeting in person.

**Q: Does my vote matter?**

A: **Yes. The merger cannot be completed unless the merger agreement is adopted by CareFusion's stockholders.** If you fail to submit a proxy or vote in person at the special meeting, or vote to abstain, or you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will have the same effect as a vote **AGAINST** the adoption of the merger. The CareFusion board of directors unanimously recommends that stockholders vote **FOR** the adoption of the merger agreement.

**Q: What is the vote required to approve each proposal at the CareFusion special meeting?**

A: The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of CareFusion common stock entitled to vote thereon. Because the affirmative vote required to adopt the merger agreement is based upon the total number of outstanding shares of CareFusion common stock, if you fail to submit a proxy or vote in person at the special meeting, or vote to abstain, or you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

The proposal to approve certain compensation arrangements for CareFusion's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of

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CareFusion common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock in favor of the proposal, your shares of CareFusion common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If you fail to submit a proxy and fail to attend the special meeting or if your shares of CareFusion common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock, your shares of CareFusion common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

See the section entitled, **Information About the Special Meeting Record Date and Quorum** beginning on page 49 of this proxy statement/prospectus.

**Q: How does the CareFusion board of directors recommend that I vote at the special meeting?**

A: The board of directors of CareFusion, which we refer to as the CareFusion board of directors, unanimously recommends that CareFusion stockholders vote **FOR** the adoption of the merger agreement, **FOR** the approval, by advisory (non-binding) vote, of certain compensation arrangements for CareFusion's named executive officers in connection with the merger and **FOR** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. See the section entitled **The Merger Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger** beginning on page 64 of this proxy statement/prospectus.

**Q: Why did the CareFusion board of directors approve the merger agreement and the transactions contemplated by the merger agreement, including the merger?**

A: To review the CareFusion board of directors' reasons for approving and recommending adoption of the merger agreement and the transactions contemplated by the merger agreement, including the merger, see the section entitled **The Merger Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger** beginning on page 64.



**Q: What will I receive if the merger is completed?**

A: If the merger is completed, each share of CareFusion common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive \$49.00 in cash, and 0.0777 of a share of BD common stock. We refer to the 0.0777 of a share of BD common stock as the exchange ratio.

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**Q: What is the value of the per share merger consideration?**

A: The exact value of the per share merger consideration that CareFusion stockholders receive will depend on the price per share of BD common stock at the time of the merger. That price will not be known at the time of the special meeting and may be less than the current price or the price at the time of the special meeting. Based on the closing stock price of BD common stock of \$115.84 on the NYSE on October 3, 2014, the last trading day before public announcement of the merger, the value of the per share merger consideration would be \$58 for each share of CareFusion common stock. Based on the closing stock price of BD common stock of \$[ ] on the NYSE on [ ], the latest practicable date before the mailing of this proxy statement/prospectus, the value of the per share merger consideration would be \$[ ] for each share of CareFusion common stock. We urge you to obtain current market quotations for shares of BD common stock and CareFusion common stock.

**Q: What happens if I am eligible to receive a fraction of a share of BD common stock as part of the per share merger consideration?**

A: If the aggregate number of shares of BD common stock that you are entitled to receive as part of the per share merger consideration includes a fraction of a share of BD common stock, you will receive cash in lieu of that fractional share. See the section entitled "The Merger Agreement - Effects of the Merger on Capital Stock" beginning on page 87 of this proxy statement/prospectus.

**Q: What will holders of CareFusion equity awards receive in the merger?**

A: *Stock Options.* Each CareFusion option that is outstanding immediately prior to the effective time of the merger, which we refer to as the effective time, whether vested or unvested, (including any such option held by an executive officer or non-employee director) will be converted at the effective time into an option to purchase, on the same terms and conditions as were applicable to such CareFusion option immediately prior to the effective time, the number of shares of BD common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of CareFusion common stock subject to the CareFusion option by the stock award exchange ratio (as defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the CareFusion option by the stock award exchange ratio. The stock award exchange ratio is the sum of (i) the exchange ratio and (ii) the quotient of the cash consideration divided by BD's volume-weighted average stock price for the five trading days immediately preceding the closing date.

*Unvested Restricted Stock Units.* At the effective time, each CareFusion restricted stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such restricted stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion restricted stock unit immediately prior to the effective time, and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested restricted stock unit immediately prior to the effective time by (ii) the stock award exchange ratio. Restricted stock unit awards granted to officers of the Company on August 15, 2014 that have a performance condition relating to the Company's fiscal year will be treated as described in the previous sentence, and the applicable performance goal will be certified

as achieved by the Human Resources and Compensation Committee of the CareFusion board of directors, which we refer to as the compensation committee, prior to the time of closing.

*Unvested Performance Stock Units.* At the effective time, each CareFusion performance stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such performance stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under

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such unvested CareFusion performance stock unit immediately prior to the effective time (except that the performance-based vesting conditions applicable to such unvested performance stock unit immediately prior to the effective time shall not apply from and after the effective time), and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested performance stock unit award immediately prior to the effective time by (ii) the stock award exchange ratio. For this purpose, the number of shares of CareFusion common stock subject to each such unvested CareFusion performance stock unit shall be equal to the number of shares earned based on the level of achievement, as certified by the compensation committee prior to the time of closing, of the applicable performance condition measured through the end of CareFusion's most recently completed calendar quarter prior to the time of closing, but shall not be less than the target number of shares.

*Vested Restricted Stock Units and Performance Stock Units.* At the effective time, each CareFusion restricted stock unit and CareFusion performance stock unit that is outstanding immediately prior to the effective time and becomes vested by its terms at the effective time (including any such restricted stock unit held by a non-employee director and any such performance stock unit held by an executive officer), and each CareFusion restricted stock unit held by a non-employee director, settlement of which was elected to be deferred, shall be cancelled and converted into, with respect to each share of CareFusion common stock subject to such restricted stock unit or performance stock unit (provided, that, each such performance stock unit shall, in accordance with its terms, vest based on the greater of target performance and actual performance through the closing date, as certified by the compensation committee prior to the time of closing), the merger consideration on the same terms and conditions as other shares of CareFusion common stock, subject to applicable tax withholding, with such tax withholding to be withheld pro rata from the cash consideration and the stock consideration (with the stock consideration valued, for such purpose, based on the closing price of BD common stock on the closing date).

**Q: What will happen to CareFusion as a result of the merger?**

A: If the merger is completed, Merger Corp will be merged with and into CareFusion, with CareFusion continuing as the surviving company and a wholly owned subsidiary of BD. As a result of the merger, CareFusion will no longer be a publicly held company. Following the merger, CareFusion common stock will be delisted from the NYSE and deregistered under the Exchange Act.

**Q: What equity stake will CareFusion stockholders hold in BD immediately following the merger?**

A: Based on the number of issued and outstanding shares of BD common stock and CareFusion common stock as of October 3, 2014, holders of shares of CareFusion common stock as of immediately prior to the closing of the merger will hold, in the aggregate, approximately 8% of the issued and outstanding shares of BD common stock immediately following the closing of the merger.

**Q: When do you expect the merger to be completed?**

A:

Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 102 of this proxy statement/prospectus, including the adoption of the merger agreement by CareFusion stockholders at the special meeting, BD and CareFusion expect that the merger will be completed during the first half of calendar year 2015. However, it is possible that factors outside the control of both companies could result in the merger being completed at a different time or not at all.

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**Q: What are the material U.S. federal income tax consequences of the merger to CareFusion stockholders?**

A: If you are a U.S. holder (as such term is defined below under **Material U.S. Federal Income Tax Considerations** ), the receipt of the merger consideration in exchange for shares of CareFusion common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. You should consult your own tax advisors regarding the particular tax consequences to you of the exchange of shares of common stock for the merger consideration pursuant to the merger in light of your particular circumstances (including the application and effect of any state, local or foreign income and other tax laws). For a more detailed discussion of the material U.S. federal income tax consequences of the merger to CareFusion stockholders, please see the section titled **Material U.S. Federal Income Tax Consequences** beginning on page 115.

**Q: Who can vote at the special meeting?**

A: All holders of record of CareFusion common stock as of the close of business on December 18, 2014, the record date for the special meeting, which we refer to as the record date, are entitled to receive notice of, and to vote at, the special meeting. Each holder of CareFusion common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of CareFusion common stock that such holder owned of record as of the record date.

**Q: When and where is the special meeting?**

A: The special meeting will be held on January 21, 2015, at 8:30 a.m. (Pacific Standard Time), at CareFusion Headquarters, located at 3750 Torrey View Court, San Diego, CA, 92130. To attend the special meeting in person, an admission card or proof of ownership of CareFusion common stock as of the record date is required. All stockholders planning to attend the special meeting can request an admission card and register to attend by contacting the CareFusion Investor Relations Department, at (858) 617-4621. Admission to the special meeting is limited to CareFusion stockholders as of the record date, a named representative of such a stockholder, or an immediate family member of such a stockholder attending as a guest. CareFusion reserves the right to limit the number of immediate family members or representatives who may attend the meeting. In addition to an admission card or proof of ownership as of the record date, stockholders and their representatives and immediate family members will be required to present government-issued photo identification (*e.g.*, driver's license or passport) to gain admission to the special meeting.

**Q: How will I receive the merger consideration to which I am entitled?**

A: Each holder of record of shares of CareFusion common stock will automatically and upon the effective time be entitled to receive, and BD will cause the exchange agent to pay and deliver as promptly as practicable after the effective time of the merger, the merger consideration, any fractional share cash amount into which the shares have been converted and the amount of any dividends or distributions with a record date after the effective time of the merger but prior to the time of delivery by the exchange agent. More information may

be found under the caption "The Merger Agreement Exchange and Payment Procedures" beginning on page 89 of this proxy statement/prospectus.

**Q: Will my shares of BD common stock acquired in the merger receive a dividend?**

A: After the closing of the merger, as a holder of BD common stock, you will receive the same dividends on shares of BD common stock that all other holders of shares of BD common stock will receive based on a dividend record date that occurs after the merger is completed.

BD currently pays regular quarterly dividends and anticipates paying dividends on its common stock in the foreseeable future. BD has declared a quarterly dividend of \$0.60 per common share, which will be

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payable on December 31, 2014 to holders of record on December 10, 2014. The indicated annual dividend rate for BD's fiscal year 2015 is \$2.40 per share. Under the terms of the merger agreement, during the period before completion of the merger, BD is not permitted to pay any dividends on or make any distributions other than its regular cash dividends not to exceed \$0.545 per share (subject to increase in a manner consistent with past practice but limited to a maximum of \$0.654 per share). Any change to the payment of dividends by BD would require approval by the BD board of directors and the board may change its dividend policy at any time. See the section entitled "Comparative Per Share Market Price and Dividend Information" beginning on page 37 for a comparison of the historical dividend practices of the two companies.

**Q: What am I being asked to vote on at the special meeting?**

A: You are being asked to consider and vote upon (i) a proposal to adopt the merger agreement (ii) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger and (iii) a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

**Q: Why am I being asked to consider and vote on a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger?**

A: Under SEC rules, CareFusion is required to seek an advisory (non-binding) vote with respect to the compensation that may be paid or become payable to its named executive officers that is based on, or otherwise relates to, the merger.

**Q: What will happen if CareFusion stockholders do not approve the compensation proposal?**

A: Approval of the compensation that may be paid or become payable to CareFusion's named executive officers that is based on, or otherwise relates to, the merger is not a condition to completion of the merger. The vote is an advisory vote and will not be binding on CareFusion or the surviving company in the merger. If the merger is completed, the merger-related compensation may be paid to CareFusion's named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if CareFusion stockholders do not approve, by advisory (non-binding) vote, the merger-related compensation.

**Q: Do any of CareFusion's directors or executive officers have interests in the merger that may differ from those of CareFusion stockholders?**

A:



CareFusion's non-employee directors and executive officers have certain interests in the merger that may be different from, or in addition to, the interests of CareFusion stockholders generally. The CareFusion board of directors was aware of and considered these interests, among other matters, in evaluating the merger agreement and the merger, and in recommending that CareFusion stockholders adopt the merger agreement. For a description of these interests, refer to the section entitled "Interests of CareFusion's Directors and Executive Officers in the Merger" beginning on page 107.

**Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

A: You are a stockholder of record if your shares are registered directly in your name with CareFusion's transfer agent, Computershare Trust Company, N.A. As the stockholder of record, you have the right to vote in person at the special meeting. You may also vote by Internet or telephone, as described in the notice and below under the heading "How do I vote?" You are deemed to beneficially own shares in

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street name if your shares are held by a bank, brokerage firm or other nominee or other similar organization. Your bank, brokerage firm or other nominee will send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote your shares in person at the special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee that holds your shares, giving you the right to vote the shares at the special meeting.

**Q: If my shares of CareFusion common stock are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee automatically vote those shares for me?**

A: Your bank, brokerage firm or other nominee will only be permitted to vote your shares of CareFusion common stock if you instruct your bank, brokerage firm or other nominee how to vote. You should follow the procedures provided by your bank, brokerage firm or other nominee regarding the voting of your shares of CareFusion common stock.

In accordance with the rules of the NYSE, banks, brokerage firms and other nominees who hold shares of CareFusion common stock in street name for their customers have authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to non-routine matters, such as the adoption of the merger agreement, the proposal to approve, by advisory (non-binding) vote, the merger-related executive compensation, and adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. As a result, absent specific instructions from the beneficial owner of such shares, banks, brokerage firms and other nominees are not empowered to vote such shares. A so-called broker non-vote results when banks, brokerage firms and other nominees return a valid proxy but do not vote on a particular proposal because they do not have discretionary authority to vote on the matter and have not received specific voting instructions from the beneficial owner of such shares. The effect of not instructing your broker how you wish your shares to be voted will be the same as a vote AGAINST the adoption of the merger agreement, and will not have an effect on the proposal to approve, by advisory (non-binding) vote, the merger-related executive compensation (except to the extent there are insufficient shares present at the meeting to establish a quorum) or on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

**Q: How many votes do I have?**

A: Each CareFusion stockholder is entitled to one vote for each share of CareFusion common stock held of record as of the record date.

As of the close of business on the record date, there were [ ] shares of CareFusion common stock outstanding. As summarized above, there are some important distinctions between shares held of record and those owned beneficially in street name.

**Q: What constitutes a quorum for the special meeting?**

- A: The presence, in person or represented by proxy, of holders of a majority of all of the outstanding shares of CareFusion common stock entitled to vote at the special meeting constitutes a quorum for the purposes of the special meeting. Abstentions are considered present for purposes of establishing a quorum.

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**Q: How do I vote?**

A: *Stockholder of Record.* If you are a stockholder of record, you can vote in the following ways:

By Internet: by following the Internet voting instructions on the proxy card at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015;

By Telephone: by following the telephone voting instructions included in the proxy card at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015; or

By Mail: you may vote by mail by marking, dating and signing your proxy card in accordance with the instructions on it and returning it by mail in the pre-addressed reply envelope provided with the proxy materials. The proxy card must be received prior to the special meeting.

*Beneficial Owner.* If your shares are held through a benefit or compensation plan or in street name, your plan trustee or your bank, broker or other nominee should give you instructions for voting your shares. In these cases, you may vote by Internet, telephone or mail by submitting a voting instruction form.

If you satisfy the admission requirements to the special meeting, as described above under the heading "When and where is the special meeting?", you may vote your shares in person at the meeting. Even if you plan to attend the special meeting, we encourage you to vote in advance by Internet, telephone or mail so that your vote will be counted in the event you later decide not to attend the special meeting. Shares held through a benefit or compensation plan cannot be voted in person at the special meeting.

**Q: How can I change or revoke my vote?**

A: If you are a stockholder of record, you may change your vote or revoke your proxy by:

filing a written statement to that effect with CareFusion's corporate secretary, at or before the taking of the vote at the special meeting;

voting again via the Internet or telephone at a later time before the closing of those voting facilities at 11:59 p.m. (Eastern Standard Time) on January 20, 2015;

submitting a properly signed proxy card with a later date that is received at or prior to the special meeting; or

attending the special meeting, revoking your proxy and voting in person.

The written statement or subsequent proxy should be delivered to CareFusion Corporation, 3750 Torrey View Court, San Diego, CA 92130, Attention: Corporate Secretary, or hand delivered to the Corporate Secretary, before the taking of the vote at the special meeting. If you are a beneficial owner and hold shares through a broker, bank or other nominee, you may submit new voting instructions by contacting your broker, bank or other nominee. You may also change your vote or revoke your voting instructions in person at the special meeting if you obtain a signed proxy from your broker, bank or other nominee giving you the right to vote the shares.

**Q: If a stockholder gives a proxy, how are the shares of CareFusion common stock voted?**

A: Regardless of the method you choose to vote, the individuals named on the enclosed proxy card will vote your shares of CareFusion common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of CareFusion common stock should be voted **FOR** or **AGAINST** or to **ABSTAIN** from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted **FOR** the

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adoption of the merger agreement, FOR the proposal to approve, by advisory (non-binding) vote, the merger-related executive compensation, and FOR adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

**Q: What should I do if I receive more than one set of voting materials?**

A: If you hold shares of CareFusion common stock in street name and also directly as a record holder or otherwise or if you hold shares of CareFusion common stock in more than one brokerage account, you may receive more than one set of voting materials relating to the special meeting. Please complete, sign, date and return each proxy card (or cast your vote by telephone or Internet as provided on your proxy card) or otherwise follow the voting instructions provided in this proxy statement/prospectus in order to ensure that all of your shares of CareFusion common stock are voted. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

**Q: What happens if I sell my shares of CareFusion common stock before the special meeting?**

A: The record date is earlier than both the date of the special meeting and the effective time of the merger. If you transfer your shares of CareFusion common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting but will transfer the right to receive the per share merger consideration to the person to whom you transfer your shares. In order to receive the per share merger consideration, you must hold your shares at the effective time of the merger.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: CareFusion has engaged Morrow & Co., LLC at an estimated cost of \$20,000, plus reimbursement of reasonable expenses, to assist in the solicitation of proxies from brokers, nominees, institutions and individuals. Proxies may also be solicited on CareFusion's behalf by CareFusion's directors, officers or employees (for no additional compensation). Arrangements will also be made with custodians, nominees and fiduciaries for forwarding a notice or printed proxy materials, as applicable, to beneficial owners of shares held of record by such custodians, nominees and fiduciaries, and CareFusion will reimburse such custodians, nominees and fiduciaries for reasonable expenses incurred in connection therewith.

**Q: What do I need to do now?**

A: Even if you plan to attend the special meeting in person, after carefully reading and considering the information contained in this proxy statement/prospectus, please vote promptly to ensure that your shares are represented at the special meeting. If you hold your shares of CareFusion common stock in your own name

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as the stockholder of record, you may submit a proxy to have your shares of CareFusion common stock voted at the special meeting in one of three ways:

By Internet: by following the Internet voting instructions on the proxy card at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015;

By Telephone: by following the telephone voting instructions included in the proxy card at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015; or

By Mail: by marking, dating and signing your proxy card in accordance with the instructions on it and returning it by mail in the pre-addressed reply envelope provided with the proxy materials. The proxy card must be received prior to the special meeting.

If you decide to attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. If you are a beneficial owner, please refer to the instructions provided by

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your bank, brokerage firm or other nominee to see which of the above choices are available to you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

**Q: Where can I find the voting results of the special meeting?**

A: The preliminary voting results will be announced at the special meeting. In addition, within four business days following certification of the final voting results, CareFusion intends to file the final voting results with the SEC on a Current Report on Form 8-K.

**Q: Am I entitled to exercise appraisal rights instead of receiving the per share merger consideration for my shares of CareFusion common stock?**

A: Stockholders are entitled to appraisal rights under Section 262 of the Delaware General Corporation Law, which we refer to as the DGCL, provided they follow the procedures and satisfy the conditions set forth in Section 262 of the DGCL. For more information regarding appraisal rights, see the section entitled "Appraisal Rights of CareFusion Stockholders" beginning on page 132 of this proxy statement/prospectus. In addition, a copy of Section 262 of the DGCL is attached as **Annex C** to this proxy statement/prospectus. Failure to strictly comply with Section 262 of the DGCL may result in your waiver of, or inability to, exercise appraisal rights.

**Q: Are there any risks that I should consider in deciding whether to vote for the adoption of the merger agreement?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled "Risk Factors" beginning on page 41 of this proxy statement/prospectus. You also should read and carefully consider the risk factors of BD and CareFusion contained in the documents that are incorporated by reference into this proxy statement/prospectus.

**Q: What are the conditions to completion of the merger?**

A: In addition to the approval of the merger proposal by CareFusion stockholders as described above, completion of the merger is subject to the satisfaction of a number of other conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act (which occurred on November 19, 2014), the approval of the merger by the European Commission under the Council Regulation (EC) No. 139/2004 of 20 January 2004 on the Control of Concentrations Between Undertakings, as amended, which we refer to as the EUMR, the accuracy of representations and warranties under the merger agreement (subject to the materiality standards set forth in the merger agreement), and BD's and CareFusion's



performance of their respective obligations under the merger agreement in all material respects. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 102, of this proxy statement/prospectus.

**Q: What happens if the merger is not completed?**

A: If the merger agreement is not adopted by CareFusion stockholders or if the merger is not completed for any other reason, CareFusion stockholders will not receive any consideration for their shares of CareFusion common stock. Instead, CareFusion will remain an independent public company, CareFusion common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act. CareFusion is required to pay BD a termination fee of \$367 million if the merger agreement is terminated in certain circumstances. If the merger agreement is terminated because the

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CareFusion stockholders' meeting (as it may be adjourned or postponed) concludes without the CareFusion stockholder approval being obtained and a termination fee is not otherwise payable, CareFusion is required to pay BD an amount equal to fifty percent of BD's out-of-pocket expenses incurred in connection with the merger agreement and the merger. See the section entitled "The Merger Agreement - Termination of the Merger Agreement - Termination Fee" beginning on page 104 of this proxy statement/prospectus.

**Q: Who can help answer any other questions I have?**

A: If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of CareFusion common stock, or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact Morrow & Co., LLC, CareFusion's proxy solicitor, by calling toll-free at **(800) 662-5200**.

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**SUMMARY**

*The following summary highlights selected information in this proxy statement/prospectus and may not contain all the information that may be important to you as a CareFusion stockholder. Accordingly, we encourage you to read carefully this entire proxy statement/prospectus, its annexes and the documents referred to in this proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that topic. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions under the section entitled "Where You Can Find More Information" beginning on page 139 of this proxy statement/prospectus.*

**Parties to the Merger (Page 53)**

*CareFusion Corporation*

*3750 Torrey View Court*

*San Diego, CA 92130*

*(858) 617-2000*

CareFusion Corporation, a Delaware corporation, is a global medical technology company with proven and industry-leading products and services designed to measurably improve the safety, quality, efficiency and cost of healthcare. CareFusion offers a comprehensive portfolio of products in the areas of medication management, infection prevention, operating room and procedural effectiveness, and respiratory care.

CareFusion common stock is listed on the NYSE under the symbol *CFN*.

*Becton, Dickinson and Company*

*1 Becton Drive*

*Franklin Lakes, New Jersey 07417*

*(201) 847-6800*

Becton, Dickinson and Company, a New Jersey corporation, is a leading medical technology company that partners with customers and stakeholders to address many of the world's most pressing and evolving health needs. BD's innovative solutions are focused on improving drug delivery, enhancing the diagnosis of infectious diseases and cancers, supporting the management of diabetes and advancing cellular research. BD has nearly 30,000 associates in 50 countries who strive to fulfill BD's purpose of "Helping all people live healthy lives" by advancing the quality, accessibility, safety and affordability of healthcare around the world.

BD common stock is listed on the NYSE under the symbol *BDX*.

*Griffin Sub, Inc.*

*c/o Becton, Dickinson and Company*

*1 Becton Drive*

*Franklin Lakes, New Jersey 07417*

*(201) 847-6800*

Griffin Sub, Inc., a Delaware corporation and a wholly owned subsidiary of BD, which we refer to as Merger Corp, was formed solely for the purpose of facilitating the merger. Merger Corp has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, Merger Corp will be merged with and into CareFusion, with CareFusion surviving the merger as a wholly owned subsidiary of BD.

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### **The Merger and the Merger Agreement (Page 54 and Annex A)**

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as **Annex A** to this proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

Pursuant to the merger agreement, Merger Corp will merge with and into CareFusion. After the effective time, CareFusion will be the surviving company and a wholly owned subsidiary of BD.

### **Per Share Merger Consideration (Page 54)**

Upon completion of the merger, each issued and outstanding share of CareFusion common stock, other than shares owned by BD or CareFusion, or by stockholders that have perfected and not withdrawn a demand for appraisal rights pursuant to Section 262 of the DGCL, will be converted into the right to receive (i) \$49.00 in cash, without interest, which we refer to as the cash consideration, and (ii) 0.0777 of a share of common stock, par value \$1.00 per share, of BD, which we refer to as the exchange ratio. We refer to (i) and (ii) together as the per share merger consideration.

In the event that the outstanding shares of CareFusion common stock or BD common stock are changed into a different number of shares or a different class of shares by reason of any reclassification, stock split (including a reverse stock split), recapitalization, split-up, combination, exchange of shares, readjustment, or other similar transaction, or a stock dividend thereon shall be declared with a record date within said period, then the exchange ratio will be appropriately adjusted to provide BD and the CareFusion common stock holders (including holders of CareFusion stock options, restricted stock units and performance stock units) the same economic effect as prior to the event.

### **Treatment of CareFusion Equity Awards (Page 90)**

#### *Treatment of Stock Options*

Each CareFusion option that is outstanding immediately prior to the effective time, whether vested or unvested including any such option held by an executive officer or non-employee director, will be converted at the effective time into an option to purchase, on the same terms and conditions as were applicable to such CareFusion option immediately prior to the effective time, the number of shares of BD common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of CareFusion common stock subject to the CareFusion option by the stock award exchange ratio (as defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the CareFusion option by the stock award exchange ratio. The stock award exchange ratio is the sum of (i) the exchange ratio and (ii) the quotient of the cash consideration divided by BD's volume-weighted average stock price for the five trading days immediately preceding the closing date.

#### *Treatment of Unvested Restricted Stock Units*

At the effective time, each CareFusion restricted stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such restricted stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion restricted stock unit immediately prior to the effective time, and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested restricted stock unit immediately prior to the

effective time by (ii) the stock award exchange ratio. Restricted stock unit awards granted to officers of the Company on August 15, 2014 that have a performance condition relating to the Company's fiscal year will be treated as described in the previous sentence, and the applicable performance goal will be certified as achieved by the compensation committee prior to the time of closing.

**Table of Contents***Treatment of Unvested Performance Stock Units*

At the effective time, each CareFusion performance stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such performance stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion performance stock unit immediately prior to the effective time (except that the performance-based vesting conditions applicable to such unvested performance stock unit immediately prior to the effective time shall not apply from and after the effective time), and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested performance stock unit award immediately prior to the effective time by (ii) the stock award exchange ratio. For this purpose, the number of shares of CareFusion common stock subject to each such unvested CareFusion performance stock unit shall be equal to the number of shares earned based on the level of achievement, as certified by the compensation committee prior to the time of closing, of the applicable performance condition measured through the end of CareFusion's most recently completed calendar quarter prior to the time of closing, but shall not be less than the target number of shares.

*Treatment of Vested Restricted Stock Units and Performance Stock Units*

At the effective time, each CareFusion restricted stock unit and CareFusion performance stock unit that is outstanding immediately prior to the effective time and becomes vested by its terms at the effective time (including any such restricted stock unit held by a non-employee director and any such performance stock unit held by an executive officer), and each CareFusion restricted stock unit held by a non-employee director, settlement of which was elected to be deferred, shall be cancelled and converted into, with respect to each share of CareFusion common stock subject to such restricted stock unit or performance stock unit (provided, that, each such performance stock unit shall, in accordance with its terms, vest based on the greater of target performance and actual performance through the closing date, as certified by the compensation committee prior to the time of closing), the merger consideration on the same terms and conditions as other shares of CareFusion common stock, subject to applicable tax withholding, with such tax withholding to be withheld pro rata from the cash consideration and the stock consideration (with the stock consideration valued, for such purpose, based on the closing price of BD common stock on the closing date).

**Financing of the Merger (Page 82)**

BD anticipates that the funds needed to complete the transactions contemplated by the merger agreement will be derived from a combination of (i) the issuance of common stock of BD to CareFusion's stockholders, (ii) available cash on hand of BD and CareFusion, (iii) borrowings under BD's commercial paper program, and (iv) third party debt financing, which we refer to as the debt financing, which is expected to include a combination of the following: (a) a senior unsecured term loan facility, (b) the issuance of senior unsecured notes or other debt securities, and/or (c) a senior unsecured bridge loan facility.

On November 26, 2014, BD obtained a debt commitment letter, which we refer to as the debt commitment letter, from Goldman Sachs Bank USA, J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A., which we refer to collectively as the commitment parties, pursuant to which the commitment parties have agreed to provide a \$1.0 billion senior unsecured 364-day term loan facility, which we refer to as the term loan facility.

Each commitment party's commitments with respect to the term loan facility and each commitment party's agreements to perform the services described in the debt commitment letter, will automatically terminate on the earliest of (i) 11:59 pm on July 5, 2015 (or 11:59 pm on October 5, 2015 if the end date (as defined in the merger agreement, see the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" on page 103 of this

proxy statement/prospectus) is extended to October 5, 2015), (ii) the consummation of the merger, (iii) the termination of the merger agreement in accordance with its terms, or (iv) the date on which the loan agreement with respect to the term loan facility, which we refer to as the term loan agreement, has been executed and delivered by each of the parties thereto and all conditions precedent to its effectiveness have been satisfied.



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The obligation of the commitment parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be available when required. In the event that the term loan facility is not available to BD on the terms set forth in the debt commitment letter or BD anticipates that the term loan facility will not be available on the terms set forth in the debt commitment letter due to the failure of a condition thereto or for any other reason, BD has the right under the merger agreement, subject to certain conditions and limitations, to seek alternative financing. As of the date of this proxy statement/prospectus, no such alternative financing has been arranged. BD's obligation to complete the merger is not conditioned upon the receipt of any financing.

As disclosed in the Form 8-K filed on November 14, 2014, on November 14, 2014, BD entered into a senior unsecured bridge term loan agreement, which we refer to as the bridge loan agreement, by and among BD, as borrower, Goldman Sachs Bank USA, as administrative agent and the lenders party thereto pursuant to which the lenders under the bridge loan agreement have agreed to provide a \$9.1 billion senior unsecured bridge loan facility, which we refer to as the bridge loan facility, subject to conditions substantially similar to the conditions to the term loan facility. The commitments of the lenders under the bridge loan facility were automatically reduced in an amount equal to the net cash proceeds of the senior unsecured notes issued as described below and will be further reduced by the aggregate amount of the commitments under the term loan facility at the time a loan agreement is executed in connection with the term loan facility.

On December 15, 2014, BD issued \$6.2 billion aggregate principal amount of senior unsecured notes comprised of: (i) \$750 million aggregate principal amount of floating rate notes due June 15, 2016, (ii) \$1.25 billion aggregate principal amount of 1.800% notes due December 15, 2017, (iii) \$1.25 billion aggregate principal amount of 2.675% notes due December 15, 2019, (iv) \$1.75 billion aggregate principal amount of 3.734% notes due December 15, 2024 and (v) \$1.2 billion aggregate principal amount of 4.685% notes due December 15, 2044 in an underwritten public offering pursuant to the indenture, dated March 1, 1997, between BD and The Bank of New York Mellon Trust Company, N.A., as trustee. The net proceeds of the offering will be used to fund the transactions contemplated by the merger agreement.

**Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger (Page 64)**

After careful consideration of various factors described in the section entitled "The Merger Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger" beginning on page 64 of this proxy statement/prospectus, at a meeting held on October 5, 2014, the CareFusion board of directors unanimously (i) determined that the merger agreement and the transactions contemplated thereby are fair to and in the best interests of CareFusion's stockholders, (ii) approved and declared advisable the merger agreement and the transactions contemplated thereby and (iii) resolved to recommend adoption of the merger agreement by CareFusion's stockholders.

**Opinion of CareFusion's Financial Advisor (Page 67 and Annex B)**

Perella Weinberg Partners LP, which we refer to as Perella Weinberg, rendered its oral opinion, subsequently confirmed in writing, to the CareFusion board of directors that, as of October 5, 2014, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in the written opinion, the merger consideration to be received by the holders of CareFusion common stock (other than shares of CareFusion common stock that are owned, directly or indirectly, by BD, CareFusion (including shares held as treasury stock or otherwise) or Merger Corp immediately prior to the effective time of the Merger and shares held by CareFusion stockholders properly exercising appraisal rights under the DGCL, collectively "CareFusion excluded shares") pursuant to the merger agreement was fair, from a financial point of view, to such holders.

*The full text of Perella Weinberg's written opinion, dated October 5, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg, is attached as **Annex B** and is incorporated by reference herein.*

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*Holders of CareFusion common stock are urged to read Perella Weinberg's opinion carefully and in its entirety. The opinion does not address CareFusion's underlying business decision to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may be available to CareFusion. The opinion was not intended to be and does not constitute a recommendation to any holder of CareFusion common stock as to how such holder should vote or otherwise act with respect to the merger or any other matter. The opinion does not in any manner address the prices at which the CareFusion common stock or BD common stock will trade at any time. In addition, Perella Weinberg expressed no opinion as to the fairness of the merger to, or any consideration received in connection with the merger by, the holders of any other class of securities, creditors or other constituencies of CareFusion. Perella Weinberg provided its opinion for the information and assistance of the CareFusion board of directors in connection with, and for the purposes of its evaluation of, the merger. This summary is qualified in its entirety by reference to the full text of the opinion.*

For a description of the opinion that the CareFusion board of directors received from Perella Weinberg, see "The Merger Opinion of CareFusion's Financial Advisor" beginning on page 67 of this proxy statement/prospectus.

### **Information About the Special Meeting (Page 49)**

#### *Time, Place and Purpose of the Special Meeting (Page 49)*

The special meeting to consider and vote upon the adoption of the merger agreement, which we refer to as the special meeting, will be held on January 21, 2015, at 8:30 a.m. (Pacific Standard time) local time, at CareFusion Headquarters, located at 3750 Torrey View Court, San Diego, CA, 92130.

At the special meeting, CareFusion stockholders will be asked to consider and vote upon (i) a proposal to adopt the merger agreement, (ii) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger and (iii) a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

#### *Record Date and Quorum (Page 49)*

You are entitled to receive notice of, and to vote at, the special meeting if you are an owner of record of shares of CareFusion common stock as of the close of business on December 18, 2014, the record date. On the record date, there were [ ] shares of CareFusion common stock outstanding and entitled to vote. You will have one vote on all matters properly coming before the special meeting for each share of CareFusion common stock that you owned on the record date.

The presence, in person or represented by proxy, of holders of a majority of all of the outstanding shares of CareFusion common stock entitled to vote at the special meeting constitutes a quorum for the purposes of the special meeting. Abstentions are considered for purposes of establishing a quorum.

#### *Vote Required (Page 49)*

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of CareFusion common stock entitled to vote thereon. Votes to abstain will not be counted as votes cast in favor of the adoption of the merger agreement, but will count for the purpose of determining whether a quorum is present. If you fail to submit a proxy or to vote in person at the special meeting or you vote to abstain, this will have the same effect as a vote AGAINST the adoption of the merger agreement.

The proposal to approve certain compensation arrangements for CareFusion's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is

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advisory (non-binding) only. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST the merger-related executive compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock in favor of the proposal, your shares of CareFusion common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation, except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If you fail to submit a proxy and fail to attend the special meeting or if your shares of CareFusion common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock, your shares of CareFusion common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

### *Proxies and Revocations (Page 50)*

Any stockholder of record entitled to vote at the special meeting may submit a proxy by telephone, over the Internet, by returning the enclosed proxy card in the accompanying prepaid reply envelope or may vote in person by appearing at the special meeting. If your shares of CareFusion common stock are held in street name through a bank, brokerage firm or other nominee, you should instruct your bank, brokerage firm or other nominee on how to vote your shares of CareFusion common stock using the instructions provided by your bank, brokerage firm or other nominee. If you fail to submit a proxy or to vote in person at the special meeting, or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of CareFusion common stock will not be voted on the adoption of the merger agreement, which will have the same effect as a vote AGAINST the adoption of the merger agreement and your shares of CareFusion common stock will not have an effect on the proposal to approve, by advisory (non-binding) vote, the merger-related executive compensation (other than to the extent resulting in failure to establish a quorum) or on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to CareFusion prior to the time the special meeting begins. Written notice of revocation should be mailed to: CareFusion Corporation, 3750 Torrey View Court, San Diego, CA 92130, Attention: Corporate Secretary.

### **Interests of CareFusion's Directors and Executive Officers in the Merger (Page 107)**

Non-employee directors and executive officers of CareFusion have certain interests in the merger that may be different from or in addition to the interests of CareFusion stockholders generally. These interests include, among others, potential severance benefits and other payments, the treatment of outstanding equity awards pursuant to the

merger agreement, and rights to ongoing indemnification and insurance coverage. The CareFusion board of directors was aware of and considered those interests, among other matters, in reaching its decisions to (i) approve the merger and the other transactions contemplated thereby, (ii) adopt, approve and

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declare advisable the merger agreement, and (iii) resolve to recommend the adoption of the merger agreement to CareFusion stockholders. See the section entitled "Interests of CareFusion's Directors and Executive Officers in the Merger" beginning on page 107 of this proxy statement/prospectus for a more detailed description of these interests.

**Regulatory Approvals (Page 83)**

Completion of the merger is conditioned upon (i) the expiration or early termination of the applicable waiting period under the HSR Act and (ii) the adoption or deemed adoption of approvals of the merger by the European Commission under the EUMR. BD and CareFusion each filed their respective HSR Act notification forms on October 20, 2014, and the 30-day waiting period expired on November 19, 2014. BD has filed a draft EUMR notification form and anticipates filing its final EUMR notification form in the near term.

Subject to the terms of the merger agreement, CareFusion and BD have agreed to cooperate with each other and to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the merger. Each of CareFusion and BD has agreed, to the extent necessary to resolve objections, if any, that a governmental authority of competent jurisdiction asserts with respect to any required antitrust or similar competition approval under any applicable law with respect to the merger, and to avoid or eliminate all impediments under any applicable antitrust or similar competition law asserted by any such governmental authority of competent jurisdiction with respect to the merger so as to permit the closing to occur by the end date (as defined in the merger agreement, see the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" on page 103 of this proxy statement/prospectus), to (i) propose, negotiate, effect the sale, divestiture, license, or other disposition of any business, assets, equity interests, product lines or properties of BD or CareFusion (or either party's respective subsidiaries), (ii) create, terminate or divest relationships, contractual rights or obligations of BD or CareFusion (or either party's respective subsidiaries) and (iii) take or commit to take any action which limits BD's right to retain directly or indirectly retain or hold any business, assets, equity interests product lines or properties, in each case as required in order to obtain any antitrust or similar competition approval so as to permit the closing to occur by the end date.

However, in no event will BD or any of its subsidiaries be required to, and CareFusion and its subsidiaries will not, without the prior written consent of BD, take any action, or agree to any condition or limitation that (i) would, or would reasonably be expected to, have a material adverse effect on the business, results of operations, or financial condition of either BD and its subsidiaries or CareFusion and its subsidiaries (in each case measured on a scale relative to CareFusion and its subsidiaries, taken as a whole), (ii) would, or would be reasonably likely to, individually or in the aggregate, result in a loss of 50% or more of net sales revenue (measured by net sales revenue for the trailing twelve month period) to BD's and its subsidiaries' intravenous which we refer to as "IV catheter business conducted in the United States", (iii) would, or would be reasonably likely to, individually or in the aggregate, result in a loss of 50% or more of net sales revenue (measured by net sales revenue for the trailing twelve month period) to BD's and its subsidiaries' "IV catheter business conducted outside the United States" or (iv) in order to avoid the entry of, or to effect the dissolution of, any competition law order in a jurisdiction other than the United States or the European Union, would require BD to take any action with respect to any business, properties or assets of BD and its subsidiaries, or CareFusion and its subsidiaries, located outside of the home country of the governmental authority of competent jurisdiction in respect of such a competition law order.

**Appraisal Rights of CareFusion Stockholders (Page 132 and Annex C)**

CareFusion stockholders of record have appraisal rights under the DGCL in connection with the merger. CareFusion stockholders who do not vote in favor of the adoption of the merger agreement and who otherwise comply with the applicable provisions of Section 262 of the DGCL will be entitled to exercise appraisal rights thereunder. Any shares

of CareFusion common stock held by a CareFusion stockholder as of the record date who has not voted in favor of the adoption of the merger agreement and who has demanded appraisal for such shares



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in accordance with the DGCL will not be converted into a right to receive the merger consideration, unless such CareFusion stockholder fails to perfect, withdraws or otherwise loses such stockholder's appraisal rights under the DGCL. If, after the consummation of the merger, such holder of CareFusion common stock fails to perfect, withdraws or otherwise loses his, her or its appraisal rights, each such share will be treated as if it had been converted as of the consummation of the merger into a right to receive the merger consideration. The relevant provisions of the DGCL are included as **Annex C** to this proxy statement/prospectus.

You are encouraged to read these provisions carefully and in their entirety. Due to the complexity of the procedures for exercising your appraisal rights, CareFusion stockholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with these provisions will result in the loss of appraisal rights. See the section entitled **Appraisal Rights of CareFusion Stockholders** beginning on page 132 of this proxy statement/prospectus for additional information and the text of Section 262 of the DGCL reproduced in its entirety as **Annex C** to this proxy statement/prospectus.

## **Conditions to Completion of the Merger (Page 102)**

In addition to the approval of the merger proposal by CareFusion stockholders, the expiration or termination of the applicable waiting period under the HSR Act and adoption or deemed adoption of approvals of the merger by the European Commission under the EUMR, each as described above, each party's obligation to complete the merger is also subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain other conditions, including the effectiveness of the registration statement on Form S-4 of which this proxy statement/prospectus forms a part (and the absence of any stop order by the SEC), approval of the listing on the NYSE of the BD common stock to be issued in the merger, the absence of an injunction prohibiting the merger, the accuracy of the representations and warranties of the other party under the merger agreement (subject to the materiality standards set forth in the merger agreement), the performance by the other party of its respective obligations under the merger agreement in all material respects and delivery of officer certificates by the other party certifying satisfaction of the two preceding conditions. The waiting period under the HSR Act expired on November 19, 2014, satisfying the HSR Act waiting period condition.

Neither CareFusion nor BD can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled **The Merger Agreement - Conditions to Completion of the Merger** beginning on page 102 of this proxy statement/prospectus.

## **No Solicitation (Page 96)**

As more fully described in this proxy statement/prospectus and in the merger agreement, and subject to the exceptions summarized below, CareFusion has agreed that it will not (1) solicit, initiate, knowingly encourage, or take any other action designed to facilitate, any inquiries regarding, or the making or submission of any inquiry, proposal or indication of interest or offer that constitutes, or would reasonably be expected to lead to, a company acquisition proposal (as defined in the merger agreement); (2) approve or recommend, or propose to approve or recommend, a company acquisition proposal; (3) approve or recommend, or propose to approve or recommend, or execute or enter into any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to a company acquisition proposal (other than a confidentiality agreement in connection with a company acquisition proposal) or a superior proposal (as defined in the merger agreement); (4) enter into, continue or otherwise participate in any discussions or negotiations regarding any company acquisition proposal; or (5) agree to do any of the foregoing actions.

Under the terms of the merger agreement, CareFusion agreed to immediately cease any discussions or negotiations with any person that may have been ongoing with respect to a company acquisition proposal as of October 5, 2014. CareFusion agreed to promptly advise BD of any inquiries, proposals or offers with respect to a company acquisition proposal that are received by, or any non-public information with regard to such proposal is requested from, or any discussions or negotiations sought to be initiated regarding such proposal with, CareFusion or its representatives.

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If, prior to obtaining the CareFusion stockholder approval, following the receipt of a bona fide written company acquisition proposal that the CareFusion board of directors determines in good faith, after consultation with CareFusion's outside financial advisors and outside legal counsel, is or could reasonably be expected to lead to a superior proposal and that was unsolicited and made after October 5, 2014 in circumstances not otherwise involving a breach of the merger agreement, CareFusion may, in response to such company acquisition proposal, furnish information with respect to CareFusion to the person making such company acquisition proposal and engage in discussions or negotiations with such person, except that prior to furnishing any such nonpublic information relating to CareFusion, CareFusion enters into a confidentiality agreement with the person making the company acquisition proposal that (x) does not contain any provision that would prevent CareFusion from complying with its obligation to provide any disclosure to BD required pursuant to the merger agreement and (y) contains provisions that in the aggregate are no less restrictive on such person (including with respect to any "standstill" terms, except that such "standstill" terms need not restrict a person from making proposals to CareFusion or its board of directors in respect of a company acquisition proposal) than those contained in the confidentiality agreement between CareFusion and BD, and promptly (but in any event within 24 hours) following the furnishing of any such nonpublic information to such person, CareFusion furnishes such nonpublic information to BD (to the extent such nonpublic information has not been previously furnished to BD).

**No Change in Recommendation or Entry into Alternative Acquisition Agreement (Page 98)**

Subject to certain exceptions described below, the CareFusion board of directors may not:

effect a company adverse recommendation change (as defined in the merger agreement); or

cause or permit CareFusion or any of its subsidiaries to enter into an alternative acquisition agreement (as defined in the merger agreement).

*Fiduciary Exception*

However, at any time before the CareFusion stockholder approval is obtained, but not after it is obtained, if (i) an unsolicited written company acquisition proposal is made by a third party, which CareFusion's board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, constitutes a superior offer; or an intervening event (as defined in the merger agreement) occurs; (ii) in the case of a company acquisition proposal, CareFusion's board of directors concludes in good faith, after consultation with CareFusion's outside legal counsel and outside financial advisors, that such company acquisition proposal constitutes a superior proposal; and (iii) CareFusion's board of directors concludes in good faith, after consultation with CareFusion's outside legal counsel, that the failure to make a company adverse recommendation change would be reasonably likely to be inconsistent with its fiduciary duties under applicable laws, then, subject to the provisions described in the next paragraph, the CareFusion board of directors may effect a company adverse recommendation change.

Prior to making any company adverse recommendation change and/or authorization to enter into any alternative acquisition agreement, CareFusion's board of directors must notify BD and negotiate in good faith with BD regarding any revisions or changes to the merger agreement or the merger proposed by BD in response to the superior proposal or intervening event, as applicable. If after such negotiations, CareFusion's board of directors determines in good faith, after consultation with its financial advisors and outside legal counsel, that (x) the company acquisition proposal continues to be a superior proposal, or the intervening event continues to be an intervening event, warranting a company adverse recommendation change and (y) failure to make such recommendation would violate CareFusion's

fiduciary duties under applicable law, it may make such company adverse recommendation change and/or authorization to enter into any alternative acquisition agreement. Whether or not there is a company adverse recommendation change, unless the merger agreement is terminated, the CareFusion board of directors must submit the merger agreement for approval by the stockholders of CareFusion at the CareFusion special meeting. In the event there is a company adverse recommendation change

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made in compliance with the merger agreement with respect to a superior proposal, CareFusion may only enter into an alternative acquisition agreement with respect to the superior proposal by concurrently terminating the merger agreement and paying BD the \$367 million termination fee. We refer to this termination right as the fiduciary termination right.

**Termination of the Merger Agreement (Page 103)**

*Termination*

The merger agreement may be terminated and abandoned at any time prior to the effective time, whether before or after any approval of the merger by the holders of CareFusion common stock:

by mutual written consent of CareFusion and BD;

by either CareFusion or BD if the merger has not been consummated on or prior to July 5, 2015, which we refer to as the end date, provided that if all of the conditions to closing, other than those pertaining to waiting periods under the HSR Act and competition decisions and approvals of the European Commission under the EUMR have been satisfied or are capable of being satisfied at such time, the end date may be extended by either CareFusion or BD to October 5, 2015, except that the right to terminate the merger agreement according to this specific provision will not be available to a party if the failure of the condition pertaining to waiting periods under the HSR Act and competition decisions and approvals of the European Commission under the EUMR to have been satisfied was due to the failure of such party to perform any of its obligations under the merger agreement; the waiting period under the HSR Act expired on November 19, 2014, satisfying the HSR Act waiting period condition; we refer to this termination right as the outside date termination right;

by either CareFusion or BD, if an order by a governmental authority of competent jurisdiction has been issued permanently restraining, enjoining or otherwise prohibiting the completion of the merger or the issuance of BD common stock to be used as merger consideration and such order has become final and nonappealable;

by either CareFusion or BD, if any law has been enacted or is applicable to the merger or the issuance of BD common stock to be used as merger consideration by any governmental authority that prohibits, prevents or makes illegal the consummation of the merger or the issuance of BD common stock to be used as merger consideration;

by either CareFusion or BD, if the CareFusion special meeting has concluded and the CareFusion stockholder approval has not been obtained;

by either CareFusion or BD if the other party has materially breached or failed to perform any representations, warranties, covenants or agreements contained in the merger agreement and such breach or

failure (i) would result in the failure of specified conditions to closing and (ii) is not curable or is not cured within a specified time period;

by BD, if, prior to the receipt of the CareFusion stockholder approval, a company adverse recommendation change has occurred, or

by CareFusion, in accordance with the provisions regarding its fiduciary termination right in connection with a superior proposal.

*Termination Fee*

CareFusion will pay BD fifty percent of the amount of BD's out-of-pocket expenses incurred in connection with the merger agreement and the merger if the merger agreement is terminated by either BD or CareFusion because the CareFusion special meeting (as it may be adjourned or postponed) concluded without the CareFusion stockholder approval being obtained. In addition, CareFusion will pay BD a termination fee of \$367 million (less

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expense reimbursement payment, if any, described in the prior sentence) if the merger agreement is terminated in certain circumstances involving a company acquisition proposal. The expense reimbursement and termination fee could discourage other companies from seeking to acquire or merge with CareFusion.

### **Accounting Treatment (Page 84)**

BD prepares its financial statements in accordance with accounting principles generally accepted in the United States, which we refer to as GAAP. The merger will be accounted for using the acquisition method of accounting. BD will be treated as the acquiror for accounting purposes.

### **Material U.S. Federal Income Tax Consequences (Page 115)**

For U.S. holders (as such term is defined below under **Material U.S. Federal Income Tax Considerations** ), the receipt of the merger consideration in exchange for shares of CareFusion common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes. CareFusion stockholders should consult their own tax advisors regarding the particular tax consequences of the exchange of shares of common stock for the merger consideration pursuant to the merger in light of their particular circumstances (including the application and effect of any state, local or foreign income and other tax laws). For a more detailed discussion of the material U.S. federal income tax consequences of the merger to CareFusion stockholders, please see the section titled **Material U.S. Federal Income Tax Consequences**.

### **Comparison of Stockholders' Rights (Page 117)**

The rights of CareFusion stockholders are governed by CareFusion's amended and restated certificate of incorporation and amended and restated bylaws, which we refer to as the CareFusion charter and the CareFusion bylaws, respectively, and by Delaware corporate law. Your rights as a stockholder of BD will be governed by BD's restated certificate of incorporation and bylaws, which we refer to as the BD charter and the BD bylaws, respectively, and by New Jersey corporate law. Your rights under the BD charter, BD bylaws and New Jersey corporate law will differ in some respects from your rights under the CareFusion charter, CareFusion bylaws and Delaware corporate law. For more detailed information regarding a comparison of your rights as a stockholder of CareFusion and BD, see the section entitled **Comparison of Stockholders' Rights** beginning on page 117 of this proxy statement/prospectus.

### **Litigation Related to the Merger (Page 85)**

Eight putative class action lawsuits have been filed against CareFusion, its directors, BD and Merger Corp in the Delaware Court of Chancery and in the Superior Court of California. These lawsuits generally allege that the members of the board of directors of CareFusion breached their fiduciary duties in connection with the merger by, among other things, carrying out a process that the plaintiffs allege did not ensure adequate and fair consideration to CareFusion stockholders and failing to disclose material information to CareFusion stockholders in this registration statement on Form S-4 of which this proxy statement/prospectus forms a part. The plaintiffs in these actions further allege that CareFusion, BD and Merger Corp aided and abetted the individual defendants' breaches of their fiduciary duties. The plaintiffs seek, among other things, equitable relief to enjoin consummation of the merger, rescission of the merger and/or rescissory damages, and attorneys' fees and costs. CareFusion, its directors, BD and Merger Corp intend to defend these actions vigorously.

### **Risk Factors (Page 41)**

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in this proxy statement/prospectus. In particular, you should consider the factors described under Risk Factors.



**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF BD**

The following table presents selected historical consolidated financial data for BD as of and for the years ended September 30, 2014, 2013, 2012, 2011 and 2010. This information has been derived from BD's audited consolidated financial statements. The information should be read in conjunction with the historical audited consolidated financial statements of BD and the related notes, including those contained in its Annual Report on Form 10-K for the year ended September 30, 2014, which is incorporated by reference into this proxy statement/prospectus.

	<b>Fiscal Year Ended September 30,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b><u>Income Statement Data</u></b>					
Revenues	\$ 8,446	\$ 8,054	\$ 7,708	\$ 7,584	\$ 7,124
Gross Margin	4,301	4,171	3,953	3,959	3,696
Operating Income	1,606	1,254	1,558	1,666	1,582
Income from Continuing Operations	1,185(A)	929(B)	1,110	1,201	1,115
Net Income	1,185	1,293	1,170	1,271	1,318
<b><u>Per Common Share Data</u></b>					
Basic Earnings Per Share from					
Continuing Operations	\$ 6.13	\$ 4.76	\$ 5.40	\$ 5.43	\$ 4.76
Basic Earnings Per Share	6.13	6.63	5.69	5.75	5.62
Diluted Earnings Per Share from					
Continuing Operations	5.99(A)	4.67(B)	5.30	5.31	4.64
Diluted Earnings Per Share	5.99(A)	6.49(B)	5.59	5.62	5.49
Dividends Per Common Share	2.18	1.98	1.80	1.64	1.48
<b><u>Financial Position</u></b>					
Total Current Assets	\$ 6,131	\$ 5,873	\$ 5,322	\$ 4,668	\$ 4,505
Total Assets	12,447	12,149	11,361	10,430	9,651
Total Current Liabilities	2,235	2,130	1,978	1,823	1,672
Total Long-Term Debt	3,768	3,763	3,761	2,485	1,495
Total Shareholders' Equity	5,053	5,043	4,136	4,828	5,435

- (A) Reflects the after-tax impact of specified items of \$50 million or \$0.25 diluted earnings per share from continuing operations, which affects comparisons of results across periods presented. These items primarily related to employee termination costs associated with a workforce reduction and charges associated with the termination of certain research and development programs.
- (B) Reflects the impact of after-tax charges of \$225 million or \$1.13 diluted earnings per share from continuing operations relating to certain litigation matters as disclosed in Note 5 to the consolidated financial statements contained in BD's Annual Report on Form 10-K for the year ended September 30, 2013, which is incorporated by reference into this proxy statement/prospectus.

**Table of Contents****SELECTED HISTORICAL CONDENSED CONSOLIDATED FINANCIAL DATA OF CAREFUSION CORPORATION**

The following table presents selected historical condensed consolidated financial data for CareFusion as of and for the fiscal years ended June 30, 2014, 2013, 2012 and 2011. Fiscal year 2010 financial data includes combined statement of income data for the fiscal year ended June 30, 2010 and combined balance sheet data as of June 30, 2010. This information has been derived from CareFusion's audited financial statements, unless otherwise noted. Financial data for the three months ended September 30, 2014 and 2013 have been derived from CareFusion's unaudited condensed consolidated financial statements and in management's opinion, includes all recurring adjustments needed to present fairly the results of operations and financial condition of CareFusion for the periods and at the dates presented. CareFusion's consolidated financial information may not be indicative of future performance.

You should read this information in conjunction with CareFusion's consolidated financial statements and related notes thereto included in CareFusion's Annual Report on Form 10-K for the fiscal year ended June 30, 2014, and in CareFusion's Quarterly Report on Form 10-Q for the three months ended September 30, 2014, which are incorporated by reference into this proxy statement/prospectus, see [Where You Can Find More Information](#).

(in millions)	Quarter Ended, September, <sup>1,2</sup>		At or for the Fiscal Year Ended June 30, <sup>1,2</sup>				
	2014	2013	2014	2013	2012	2011	2010
<b>Statements of Income Data:</b>							
Revenue	\$ 922	\$ 830	\$ 3,842	\$ 3,550	\$ 3,598	\$ 3,440	\$ 3,377
Gross Profit	465	423	1,908	1,850	1,804	1,768	1,691
Operating Income <sup>3,4</sup>	126	116	621	619	574	504	450
Income before Income Tax	98	96	532	543	487	425	345
Income from Continuing Operations	76	78	417	389	361	299	161
Income (Loss) from Discontinued Operations, Net of Tax <sup>5</sup>				(4)	(68)	(50)	33
Net Income	76	78	417	385	293	249	194
<b>Basic Earnings (Loss) per Common Share:</b>							
Continuing Operations	0.37	0.36	1.99	1.76	1.62	1.34	0.73
Discontinued Operations				(0.02)	(0.31)	(0.23)	0.15
Basic Earnings per Common Share	0.37	0.36	1.99	1.74	1.31	1.11	0.88
<b>Diluted Earnings (Loss) per Common Share:</b>							
Continuing Operations	0.37	0.36	1.96	1.74	1.60	1.32	0.72
Discontinued Operations				(0.02)	(0.30)	(0.22)	0.15
Diluted Earnings per Common Share	0.37	0.36	1.96	1.72	1.30	1.10	0.87
<b>Weighted-Average Number of Common Shares Outstanding:</b>							
Basic	204.1	214.0	209.7	221.2	223.7	222.8	221.5
Diluted	207.0	217.4	212.9	224.0	226.0	225.1	223.0

**Balance Sheet Data<sup>6</sup>:**

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Total Assets	\$ 9,007	\$ 8,492	\$ 9,655	\$ 8,553	\$ 8,488	\$ 8,185	\$ 7,900
Long-Term Obligations, less Current Portion and Other Short-Term Borrowings	1,988	999	1,990	1,444	1,151	1,387	1,386
Total Stockholders' Equity or Parent Company Investment	5,331	5,402	5,390	5,386	5,231	5,070	4,676

<sup>1</sup> Amounts reflect business combinations for all periods presented.

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- <sup>2</sup> Amounts reflect restructuring and acquisition integration charges for all periods presented. Restructuring and acquisition integration charges were \$43 million, \$18 million, \$33 million, \$64 million, and \$15 million, in fiscal years 2014, 2013, 2012, 2011, and 2010, respectively. Restructuring and acquisition integration charges were \$19 million and \$11 million for the quarters ended September 30, 2014 and 2013, respectively.
- <sup>3</sup> During the fiscal year ended June 30, 2013, CareFusion recorded a \$41 million charge to establish a reserve in connection with the agreement in principle to resolve the previously disclosed government investigations related to prior sales and marketing practices for CareFusion's ChloroPrep skin preparation product and relationships with healthcare professionals. In January 2014, CareFusion entered into a final settlement agreement with the government, and CareFusion paid the settlement.
- <sup>4</sup> Includes \$2 million and \$3 million share of net earnings of equity method investee recorded during the quarter ended September 30, 2014 and the fiscal year ended June 30, 2014, respectively.
- <sup>5</sup> A summary of discontinued operations is presented in note 2 to the audited consolidated financial statements included in CareFusion's Annual Report on Form 10-K for the fiscal year ended June 30, 2014.
- <sup>6</sup> Fiscal year 2010 balance sheet data is unaudited.

**Table of Contents****SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following selected unaudited pro forma financial data gives effect to the merger with CareFusion by BD. The selected pro forma data have been prepared using the acquisition method of accounting under U.S. generally accepted accounting principles, under which the assets and liabilities of CareFusion will be recorded by BD at their respective fair values as of the date the merger is completed. The selected Unaudited Pro Forma Condensed Combined Balance Sheet data as of September 30, 2014 gives effect to the transaction as if it had occurred on September 30, 2014. The selected Unaudited Pro Forma Condensed Combined Statement of Income data for the fiscal year ended September 30, 2014 gives effect as if the transaction had occurred on October 1, 2013, the beginning of BD's fiscal year 2014.

The selected pro forma data have been derived from, and should be read in conjunction with, the more detailed unaudited pro forma condensed combined financial statements of the combined company appearing elsewhere in this proxy statement/prospectus and the accompanying notes to the pro forma statements. In addition, the pro forma statements were based on, and should be read in conjunction with, the historical consolidated financial statements of each of BD and CareFusion incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#) and [Unaudited Pro Forma Condensed Combined Financial Statements](#) sections of this proxy statement/prospectus for additional information. The selected pro forma data has been presented for informational purposes only and is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the selected pro forma data does not purport to project the future financial position or operating results of the combined company. Also, as explained in more detail in the accompanying notes to the pro forma statements, the preliminary purchase price (consideration) and fair value assessment of assets and liabilities reflected in the selected pro forma data is subject to adjustment and may vary significantly from the final actual purchase price (consideration) and fair value assessment of assets and liabilities that will be recorded upon completion of the merger. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed will be recognized as goodwill.

**Selected Unaudited Pro Forma Condensed Combined Statements of Income Data**

(in millions, except per share data)	<b>For the fiscal year ended September 30, 2014</b> (Pro forma combined)
Net sales	\$ 12,288
Income from continuing operations	\$ 1,197
Income from continuing operations per share-basic	\$ 5.73
Income from continuing operations per share-diluted	\$ 5.60
Weighted average shares outstanding-basic	209.1
Weighted average shares outstanding-diluted	213.7

**Selected Unaudited Pro Forma Condensed Combined Balance Sheet**

(in millions)	<b>As of September 30, 2014</b> (Pro forma combined)
Total current assets	\$ 6,665
Total assets	27,640

Total current liabilities	4,317
Long-term debt	12,071
Total liabilities	20,792
Total shareholders' equity	6,848

Table of Contents**COMPARATIVE PER SHARE DATA**

The following tables set forth historical per share information of BD and CareFusion and preliminary unaudited pro forma condensed combined per share information after giving effect to the merger with CareFusion by BD under the acquisition method of accounting. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that BD will experience after the acquisition of CareFusion. The preliminary unaudited pro forma condensed combined per share data has been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 28 and the related notes included in this proxy statement/prospectus beginning on page 31. The historical per share data has been derived from the historical consolidated financial statements of BD and CareFusion as of and for the periods indicated, incorporated by reference in this proxy statement/prospectus.

	<b>Year Ended September 30, 2014</b>
<b>BD Historical Per Share Data</b>	
Earnings per share basic	\$ 6.13
Earnings per share diluted	\$ 5.99
Cash dividends declared per common share	\$ 2.18
Book value per share	\$ 26.33

	<b>Quarter Ended September 30, 2014</b>	<b>Year Ended June 30, 2014</b>
<b>CareFusion Historical Per Share Data</b>		
Earnings per share basic	\$ 0.37	\$ 1.99
Earnings per share diluted	\$ 0.37	\$ 1.96
Cash dividends declared per common share	\$	\$
Book value per share	\$ 26.20	\$ 26.35

	<b>Year Ended September 30, 2014</b>
<b>Unaudited Pro Forma Combined Per Share Data</b>	
Earnings per share basic	\$ 5.73
Earnings per share diluted	\$ 5.60
Cash dividends declared per common share	\$ 2.18
Book value per share	32.94

	<b>Year Ended September 30, 2014</b>

<b>Unaudited Pro Forma Equivalent Per Share Data for CareFusion (1)</b>		
Earnings per share basic	\$	0.45
Earnings per share diluted	\$	0.44
Cash dividends declared per common share	\$	0.17
Book value per share		2.56

- (1) The unaudited pro forma equivalent per share data for CareFusion are calculated by multiplying the preliminary unaudited pro forma combined per share data by the exchange ratio of 0.0777, based on the closing share price for BD common stock on October 3, 2014.



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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The unaudited pro forma condensed combined financial information and explanatory notes present how the combined balance sheet of BD and CareFusion may have appeared had the businesses actually been combined as of September 30, 2014, and is presented as if the merger with CareFusion, which we refer to as the merger, and the estimated borrowings used to finance the merger occurred on September 30, 2014. The unaudited pro forma condensed combined statements of income for the twelve months ended September 30, 2014 are presented assuming the merger and the related borrowings used to finance the merger occurred on October 1, 2013. Certain financial information of CareFusion as presented in its consolidated financial statements has been reclassified to conform to the historical presentation of BD's consolidated financial statements for purposes of preparation of the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information shows the impact of the merger on the combined balance sheet and the combined income statements under the acquisition method of accounting with BD treated as the acquirer. Under this method of accounting, identifiable tangible and intangible assets acquired and liabilities assumed are recorded by BD at their estimated fair values as of the date the merger is completed. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed is recognized as goodwill. As of the issuance of this proxy statement/prospectus, the purchase price allocation adjustments are estimates and may be further refined as additional information becomes available post-merger.

The unaudited pro forma condensed combined financial information has been prepared by BD in accordance with the regulations of the SEC and is not necessarily indicative of the condensed consolidated financial position or results of operations that would have been realized had the merger occurred as of the dates indicated above, nor is it meant to be indicative of any anticipated condensed consolidated financial position or future results of operations that the combined entity will experience after the merger, and therefore discontinued operations of both BD and CareFusion are not presented. As required, the unaudited pro forma condensed combined financial information includes adjustments which give effect to events that are directly attributable to the merger and are factually supportable; as such, any planned adjustments affecting the balance sheet, income statement, or shares of common stock outstanding subsequent to the merger completion date are not included. The accompanying unaudited pro forma condensed combined income statement also does not include any expected cost savings or restructuring actions which may be achievable subsequent to the merger or the impact of any non-recurring activity and one-time transaction related costs.

The date of the merger agreement is October 5, 2014. For pro forma purposes only, the valuation of consideration transferred is based on, among other things, BD's closing share price as of October 3, 2014 of \$115.84 per share. The value of the consideration transferred for accounting purposes will ultimately be based on the closing share price of BD's common stock on the last trading day prior to the closing date of the transaction, and could materially change. For pro forma purposes only, the fair value of CareFusion's stock options to be converted is estimated based on BD's closing share price as of October 3, 2014 of \$115.84 per share. An increase of 25 percent in BD's share price would increase the total consideration by approximately \$587 million and a decrease of 25 percent in BD's share price would decrease the total consideration by approximately \$585 million. The total actual consideration will fluctuate until the closing of the acquisition of CareFusion.

The unaudited pro forma condensed combined financial information is derived from and should be read in conjunction with the historical consolidated financial statements of BD (which are available in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2014) and the historical consolidated financial statements of CareFusion (which are found in CareFusion's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 and Quarterly Report for the three months ended September 30, 2014, which have been incorporated by reference in this proxy statement/prospectus).



**Table of Contents****BECTON, DICKINSON AND COMPANY****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****AS OF SEPTEMBER 30, 2014**

(In millions)	Historical BD	Historical CareFusion	Reclassifications <sup>(1)</sup>	Acquisition Adjustments <sup>(2)</sup>	Financing Adjustments <sup>(3)</sup>	Note References	Pro Forma Combined
<b>Assets:</b>							
Cash and cash equivalents	\$ 1,861	\$ 1,736	\$	\$ (10,358)	\$ 7,613	5a, 5b	\$ 852
Short-term investments	884						884
Trade receivables, net	1,187	459					1,646
Current portion of net investment in sales-type leases		272					272
Inventories:							
Materials	248	147		51		5g	446
Work in process	260	30		11		5g	301
Finished products	987	318		111		5g	1,416
Prepaid expenses, deferred taxes and other	704	144					848
<b>Total current assets</b>	<b>6,131</b>	<b>3,106</b>		<b>(10,185)</b>	<b>7,613</b>		<b>6,665</b>
Property, plant and equipment	3,605	437	(57)	95		4, 5g	4,080
Goodwill	1,090	3,315		3,290		5e, 5k	7,695
Core and developed technology, net	513		193	2,047		4, 5e, 5f	2,753
Other intangibles, net	247	997	(193)	3,241		4, 5e, 5f	4,292
Capitalized software, net	365						365
Investments in unconsolidated entities		102	(102)			4	
Net investment in sales-type leases		961					961
Other	497	89	159	39	46	4, 5a, 5i, 5j	830
<b>Total assets</b>	<b>\$ 12,447</b>	<b>\$ 9,007</b>	<b>\$</b>	<b>\$ (1,473)</b>	<b>\$ 7,659</b>		<b>\$ 27,640</b>
<b>Liabilities:</b>							
Short-term liabilities	\$ 203	\$ 3	\$	\$	\$ 1,500	5a	\$ 1,706

Accounts payable	401	178				579
Accrued expenses	1,053	319	(43)		5i	1,329
Salaries, wages, and related items	551	126				677
Income taxes	26					26
<b>Total current liabilities</b>	<b>2,235</b>	<b>626</b>	<b>(43)</b>	<b>1,500</b>		<b>4,317</b>
Long-term debt	3,768	1,988	115	6,200	5a, 5h	12,071
Long-term employee benefit obligations	1,009					1,009
Deferred income taxes and other	383	1,062	1,950		5j	3,395
<b>Total liabilities</b>	<b>7,395</b>	<b>3,676</b>	<b>2,022</b>	<b>7,700</b>		<b>20,792</b>
<b>Shareholders equity:</b>						
Common stock	333	2	14		5b, 5c, 5d	349
Capital in excess of par value	2,198	5,070	(3,002)		5b, 5c, 5d	4,266
Retained earnings	12,105	1,541	(1,789)	(41)	5a, 5d	11,816
Deferred compensation	19					19
Common shares in treasury at cost	(8,601)	(1,185)	1,185		5d	(8,601)
Accumulated other comprehensive loss	(1,001)	(97)	97		5d	(1,001)
<b>Total shareholders equity</b>	<b>5,053</b>	<b>5,331</b>	<b>(3,495)</b>	<b>(41)</b>		<b>6,848</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 12,447</b>	<b>\$ 9,007</b>	<b>\$ (1,473)</b>	<b>\$ 7,659</b>		<b>\$ 27,640</b>

Amounts may not add due to rounding.

(1) CareFusion's balance sheet as of September 30, 2014.

(2) See Note 2, 3, and 4 to the Unaudited Pro Forma Condensed Combined Financial Statements for a description of the presentation reclassifications included in this column.

(3) See Note 5 to the Unaudited Pro Forma Condensed Combined Financial Statements.

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## BECTON, DICKINSON AND COMPANY

## UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

(In millions, except per share data)	Historical BD	Historical CareFusion	Reclassification (1)	Acquisition Adjustments (2)	Financing Adjustments (3)	Note References	Pro Forma Combined
Revenues	\$ 8,446	\$ 3,842	\$	\$	\$		\$ 12,288
Cost of products sold	4,145	1,934	14	372		4, 6a	6,465
Selling and administrative expense	2,145	1,061	29	28		4, 6a	3,263
Research and development expense	550	190					740
Restructuring and acquisition integration charges		43	(43)			4	
Gain on sale of assets		(4)	4			4	
Share of net (earnings) loss of equity method investee		(3)	3			4	
Total operating costs and expenses	6,840	3,221	7	400			10,468
Operating income	1,606	621	(7)	(400)			1,819
Interest expense	(135)		(89)	(14)	(208)	4, 6b	(446)
Interest income	46		3			4	49
Other (expense) income, net	5	(89)	93			4	9
Income From continuing operations before income taxes	1,522	532		(414)	(208)		1,431
Income tax provision	337	115		(145)	(73)	6c	234
Income from continuing operations	\$ 1,185	\$ 417	\$	\$ (269)	\$ (135)		\$ 1,197
Income from continuing operations per common share:							
Basic	\$ 6.13	\$ 1.99					\$ 5.73
Diluted	\$ 5.99	\$ 1.96					\$ 5.60
Weighted average number of shares outstanding:							
Basic	193.3			15.8			209.1
Diluted	197.7			16.0			213.7

Amounts may not add due to rounding.

- (1) CareFusion's statement of income for the fiscal year ended June 30, 2014.
- (2) See Note 4 to the Unaudited Pro Forma Condensed Combined Financial Statements.
- (3) See Note 6 to the Unaudited Pro Forma Condensed Combined Financial Statements.

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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION  
OF BD**

**Note 1 Description of Merger**

On October 5, 2014, BD announced a definitive agreement under which BD will acquire CareFusion for \$58 per share in cash and stock, or a total of approximately \$12.2 billion, to create a global leader in medication management and patient safety solutions.

Pursuant to the agreement, BD will acquire 100 percent of CareFusion in exchange for the following consideration:

\$10.1 billion in cash consideration, consisting of available cash on hand, anticipated borrowings under its term loan facility and commercial paper program and \$6.2 billion of senior unsecured notes and to the extent required, borrowing under its bridge loan facility, and

\$2.1 billion of BD common stock to be issued to CareFusion stockholders and share award holders and BD stock options to be issued to holders of CareFusion options, based on BD's closing price as of October 3, 2014.

The transaction is expected to close in the first half of calendar year 2015.

Under the terms of the transaction, CareFusion stockholders will receive \$49.00 in cash, without interest, and 0.0777 of a share of BD for each share of CareFusion. Using BD's closing price as of October 3, 2014 of \$115.84 would result in a total of \$58.00 per CareFusion share. This is used for pro forma purposes only. The value of the consideration transferred for accounting purposes will ultimately be based on the closing share price of BD's stock on the last trading day prior to the closing date of the transaction, and could materially change. For pro forma purposes, the fair value of CareFusion's stock options to be converted is estimated based on BD's closing share price as of October 3, 2014 of \$115.84 per share. This is used for pro forma purposes only.

**Note 2 Basis of Pro Forma Presentation**

The unaudited pro forma condensed combined financial information shows the impact of the merger on the combined balance sheet and the combined statements of income under the acquisition method of accounting with BD treated as the acquirer. The acquisition method of accounting, provided by ASC 805 *Business Combinations*, uses the fair value concepts defined in ASC 820 *Fair Value Measurement*. Under this method of accounting, the assets and liabilities of CareFusion are recorded by BD at the date of merger estimated fair values, where fair value is defined in ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of CareFusion's identifiable tangible and intangible assets acquired and liabilities assumed are based on fair value estimates as if the businesses had actually been combined as of September 30, 2014. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed will be recognized as goodwill. Fair value measurements may require extensive use of significant estimates and management's judgment, and it is possible the application of reasonable judgment could produce varying results based on a range of alternative estimates using the same facts and circumstances. Since the merger has not been consummated, our access to information to make such estimates is limited. As such, certain market based assumptions were used when data was not available; however, management believes the fair values recognized for the assets to be acquired and liabilities to be assumed are based on reasonable estimates and assumptions. Subsequent to the merger

completion date, there may be further refinements of the business combination adjustments as additional information becomes available. Increases or decreases in fair value of certain balance sheet amounts and other items of CareFusion as compared to the information presented in this proxy statement/prospectus may change the amount of the business combination adjustments to goodwill and other assets and liabilities and may impact the income statement due to adjustments in yield and/or amortization of adjusted assets and liabilities.



**Table of Contents****Note 3 Conforming Accounting Policies**

Following the merger, BD will conduct a review of CareFusion's accounting policies in an effort to determine if differences in accounting policies require reclassification of CareFusion's results of operations or reclassification of assets or liabilities to conform to BD's accounting policies and classifications. As a result of that review, BD may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on these pro forma condensed combined financial statements. During the preparation of these unaudited pro forma condensed combined financial statements, BD was not aware of any material differences between accounting policies of the two companies and accordingly, these unaudited pro forma condensed combined financial statements do not assume any material differences in accounting policies between the two companies.

**Note 4 Reclassifications**

Certain balances from the consolidated financial statements of CareFusion were reclassified to conform their presentation to that of BD:

The following reclassifications were made to the unaudited pro forma condensed combined balance sheet as of September 30, 2014 (in millions):

<b>Account Description</b>	<b>Increase / (Decrease)</b>
Property, plant, and equipment	\$ (57)
Core and developed technology	193
Other intangibles, net	(193)
Investments in unconsolidated entities	(102)
Other	159

The following reclassifications were made to the unaudited pro forma condensed combined income statement for the fiscal year ended September 30, 2014 (in millions):

<b>Account Description</b>	<b>Increase / (Decrease)</b>
Cost of products sold	\$ 14
Selling and administrative expense	29
Restructuring and acquisition integration charges	(43)
Gain on sale of assets	4
Share of net (earnings) loss of equity method investee	3
Interest expense	(89)
Interest income	3
Other (expense) income, net	93

**Table of Contents****Note 5 Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments**

This note should be read in conjunction with Note 1 Description of Merger , Note 2 Basis of Pro Forma Presentation , Note 3 Conforming Accounting Policies , and Note 4 Reclassifications. Adjustments included in the columns Acquisition Adjustments and Financing Adjustments to the accompanying unaudited pro forma condensed combined balance sheet as at September 30, 2014 are represented, in part, by the following considerations arising out of the allocation of the purchase price to CareFusion's assets and liabilities (in millions):

Description	Note	Amount
<b>Calculation of consideration estimated to be transferred</b>		
Cash consideration to be paid to CareFusion stockholders	(5a)	\$ 9,972
Cash consideration to be paid to vested CareFusion share awards	(5b)	138
Total Cash Consideration		10,110
Fair value of common stock to be issued to CareFusion stockholders and share award holders	(5c)	1,857
Fair value of stock options to be issued to CareFusion stock option holders	(5b)	227
Total Consideration Transferred		\$ 12,194
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>		
Net book value of assets acquired	(5d)	\$ 5,331
Less write-off of pre-existing CareFusion goodwill and intangible assets	(5e)	(4,312)
Adjusted net book value of assets acquired		1,019
Identifiable intangible assets at fair value	(5f)	6,285
Increase property, plant, and equipment to fair value	(5g)	95
Increase inventory to fair value	(5g)	173
Increase debt assumed to fair value	(5h)	(115)
Other fair value adjustments, net	(5i)	57
Deferred tax impact of fair value adjustments	(5j)	(1,925)
<b>Total Goodwill</b>	(5k)	<b>\$ 6,605</b>

- a. Cash outflows for acquisition adjustments represent anticipated cash consideration to be transferred of \$49.00 per outstanding CareFusion share based on 203.5 million shares outstanding as of September 30, 2014. Additional cash adjustments in the unaudited pro forma condensed combined balance sheet includes \$248 million in acquisition-related transaction costs as a reduction of cash with a corresponding decrease to retained earnings. The payment of this balance is expected to be partially funded by \$500 million of commercial paper, \$1 billion under the term loan facility, and \$6.2 billion in the form of senior unsecured notes. In connection with obtaining the debt financing, \$46 million of deferred financing costs are expected to be capitalized and amortized over the life of the underlying debt. In addition, \$41 million of costs related to BD's bridge financing are reflected as a reduction of cash with a corresponding decrease to retained earnings.

- b. As of September 30, 2014, there were 2.8 million CareFusion share awards, consisting of restricted stock units and performance stock units outstanding. BD will pay the holders of the share awards \$138 million, or \$49.00 per share, and issue stock options in BD's shares with a fair value of approximately \$227 million as of September 30, 2014.
  
- c. The acquisition date fair value of BD's ordinary shares to be issued to CareFusion stockholders was estimated based on 206.3 million of CareFusion shares outstanding, on an as converted basis, as of

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September 30, 2014, multiplied by the exchange ratio of 0.0777, and BD's closing share price as of October 3, 2014 of \$115.84 per share. Refer to the calculation below:

**(in millions, except per share data)**

Total CareFusion shares outstanding	206.3
Conversion factor	0.0777
Shares of BD to be issued (par value \$1.00)	16.0
Value per share of BD common stock as of October 3, 2014	\$ 115.84
Fair value of BD stock to be issued in respect of outstanding CareFusion shares	\$ 1,857

- d. Reflects the historical book value of the net assets acquired from CareFusion as of September 30, 2014. The unaudited pro forma condensed combined balance sheet reflects the elimination of CareFusion's historical common stock, capital in excess of par value, retained earnings, common shares in treasury at cost, and accumulated other comprehensive loss as part of purchase accounting.
- e. Reflects the reversal of previously recorded goodwill and intangible assets recorded in the historical book value of net assets acquired of CareFusion as of September 30, 2014.
- f. Intangible assets  
Identifiable intangible assets expected to be acquired consist of the following (in millions):

Description	Estimated Value
Trademarks / trade Names	\$ 445
Developed products	2,240
Customer relationships	3,150
Backlog	305
In process research and development	135
Other	10
Total identifiable intangible assets	\$ 6,285

The fair value estimate for identifiable intangible assets is preliminary and is determined based on the assumptions that market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e., its highest and best use). This preliminary fair value estimate could include assets that are not intended to be used, may be sold or are intended to be used in a manner other than their best use. For purposes of the accompanying unaudited pro forma condensed combined financial information, it is assumed that all assets will be used in a manner that represents their highest and best use. The final fair value determination for identifiable intangibles may differ from this preliminary determination.

g. Asset fair value step-up

This adjustment represents an increase in book value for CareFusion's inventory and property, plant, and equipment balances of \$173 million, and \$95 million, respectively, to reflect fair value.

The fair value estimate for inventory and property, plant, and equipment is preliminary and is determined based on the assumptions that market participants would use in pricing an asset, based on the most advantageous market for the asset (i.e., its highest and best use). This preliminary fair value estimate could include assets that are not intended to be used, may be sold or are intended to be used in a manner other than their best use. For purposes of the accompanying unaudited pro forma condensed combined financial information, it is assumed that all assets will be used in a manner that represents their highest and best use. The final fair value determination for inventories and property, plant, and equipment may differ from this preliminary determination.

**Table of Contents****h. Fair value step-up on CareFusion's existing debt**

To record the fair value step-up of \$115 million on CareFusion's existing debt, which will remain outstanding after the acquisition at fair value.

**i. Other fair value adjustments, net**

To record the fair value step-up of \$14 million on CareFusion's dispensing equipment, which is presented in the Other asset line item on the accompanying unaudited pro forma condensed combined balance sheet, and a write down of CareFusion's deferred revenue of \$43 million, which is presented in the Payables and accrued expenses line item on the unaudited pro forma condensed combined balance sheet. Deferred revenue was reduced to reflect the assumed performance obligation at fair value.

**j. Deferred tax impact of fair value adjustments**

Reflects the adjustment to deferred income tax assets of \$25 million and liabilities of \$1,950 million resulting from pro forma fair value adjustments for the assets and liabilities to be acquired. This estimate of deferred taxes was determined based on the excess book basis over the tax basis of the fair value pro forma adjustments attributable to the assets and liabilities to be acquired. The U.S. statutory tax rate was applied to each adjustment as the majority of fair value adjustments relate to entities domiciled in the United States. This estimate of deferred income tax assets and liabilities is preliminary and is subject to change based upon management's final determination of the fair value of assets acquired and liabilities assumed by jurisdiction.

**k. Goodwill**

Goodwill is calculated as the difference between the fair value of the consideration transferred and the values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed. The amount of goodwill presented in the above table reflects the estimated goodwill as a result of the acquisition of \$6.6 billion as of September 30, 2014. This amount, reduced by CareFusion's existing goodwill at September 30, 2014 of \$3.3 billion resulted in an acquisition accounting adjustment in the unaudited pro forma condensed combined balance sheet as of September 30, 2014 of \$3.3 billion.

**Note 6 Unaudited Pro Forma Condensed Combined Income Statement Adjustments**

This note should be read in conjunction with Note 1 Description of Merger, Note 2 Basis of Pro Forma Presentation, Note 3 Conforming Accounting Policies, Note 4 Reclassifications, and Note 5 Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments. Adjustments included in the columns Acquisition Adjustments and Financing Adjustments to the accompanying unaudited pro forma condensed combined income statement for the twelve months ended September 30, 2014 are represented by the following:

**a. Amortization and depreciation**

This adjustment represents the increased amortization for the fair value of identified intangible assets with definite lives for the twelve months ended September 30, 2014. The following table shows the pre-tax impact on amortization expense (amounts in millions):

<b>Description</b>	<b>Weighted Average Useful life</b>	<b>Fair value</b>	<b>September 30, 2014</b>
Core and Developed Technology	13.5	\$ 2,240	\$ 166
Other Intangibles	13.8	3,600	293
Less: Historical amortization			(87)
Additional amortization			\$ 372

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The adjustment to selling and administrative expense of \$28 million for the twelve months ended September 30, 2014 is related to fair value step up and corresponding increased depreciation of property, plant, and equipment. The income statement effect of the fair value step-up to increase the book value of CareFusion's inventory is not reflected as such adjustment is not recurring in nature.

b. **Interest expense**

This adjustment represents the additional interest expense for the twelve months ended September 30, 2014 taking into consideration the additional borrowings taken by BD for financing the merger as well as the accretion on the fair value step-up on CareFusion's existing debt. Refer to the table below for the breakdown of this amount (in millions):

<b>Description</b>	<b>September 30, 2014<sup>(i)</sup></b>
Interest on additional borrowings	\$ 208
Accretion on fair value step-up	\$ 14

- (i) Reflects the interest on debt as currently anticipated. The actual allocation of the type and amount and the terms of the financing may differ from those contemplated herein. Interest includes the amortization of the related debt issuance costs.

c. **Provision for income taxes**

This adjustment represents the tax effects of all the adjustments described in Notes 6a and 6b above using BD's statutory rate.

**Note 7 Unadjusted Pro Forma Balances***Trade receivables and sales-type leases*

At this time, BD does not have sufficient information necessary to make a reasonable preliminary estimate of the fair value of CareFusion's trade receivables and sales-type leases. Therefore, no adjustment has been recorded to modify the current book values.

*Deferred tax liabilities*

CareFusion does not record deferred taxes on the unremitted earnings of subsidiaries outside of the United States, when it is expected that these earnings will be indefinitely reinvested. At this time, BD does not have sufficient information necessary to make any changes to this assertion. Therefore, there have been no adjustments reflected in the book value of deferred tax liabilities related to this assertion in the accompanying unaudited pro forma condensed combined financial statements. The deferred tax assets recorded in the unaudited pro forma condensed combined balance sheet have not been assessed for the need of a valuation allowance.





**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

CareFusion common stock trades on the NYSE under the symbol CFN and BD common stock trades on the NYSE under the symbol BDX. The following table sets forth the high and low reported sale prices per share of CareFusion common stock and BD common stock, and the cash dividends declared per share for the periods indicated.

*CareFusion*

<b>Quarter Data</b>	<b>High Trading Price</b>	<b>Low Trading Price</b>	<b>Dividend Paid</b>
First Quarter 2011 Fiscal Year	\$ 25.35	\$ 20.63	
Second Quarter 2011 Fiscal Year	\$ 26.24	\$ 22.53	
Third Quarter 2011 Fiscal Year	\$ 28.61	\$ 24.95	
Fourth Quarter 2011 Fiscal Year	\$ 29.97	\$ 26.15	
First Quarter 2012 Fiscal Year	\$ 28.24	\$ 22.01	
Second Quarter 2012 Fiscal Year	\$ 26.00	\$ 22.66	
Third Quarter 2012 Fiscal Year	\$ 26.38	\$ 22.55	
Fourth Quarter 2012 Fiscal Year	\$ 27.28	\$ 23.79	
First Quarter 2013 Fiscal Year	\$ 28.73	\$ 23.93	
Second Quarter 2013 Fiscal Year	\$ 29.07	\$ 26.04	
Third Quarter 2013 Fiscal Year	\$ 35.00	\$ 28.03	
Fourth Quarter 2013 Fiscal Year	\$ 38.48	\$ 32.48	
First Quarter 2014 Fiscal Year	\$ 39.38	\$ 35.02	
Second Quarter 2014 Fiscal Year	\$ 40.28	\$ 36.73	
Third Quarter 2014 Fiscal Year	\$ 41.98	\$ 37.87	
Fourth Quarter 2014 Fiscal Year	\$ 44.68	\$ 37.76	
First Quarter 2015 Fiscal Year	\$ 47.01	\$ 41.40	
Second Quarter 2015 Fiscal Year through [ ]	[ ]	[ ]	

*BD*

<b>Quarter Data</b>	<b>High Trading Price</b>	<b>Low Trading Price</b>	<b>Dividend Paid</b>
First Quarter 2011 Fiscal Year	\$ 85.50	\$ 73.39	\$ 0.410
Second Quarter 2011 Fiscal Year	\$ 85.90	\$ 75.44	\$ 0.410
Third Quarter 2011 Fiscal Year	\$ 89.73	\$ 79.30	\$ 0.410
Fourth Quarter 2011 Fiscal Year	\$ 89.75	\$ 71.71	\$ 0.410
First Quarter 2012 Fiscal Year	\$ 79.81	\$ 69.59	\$ 0.450
Second Quarter 2012 Fiscal Year	\$ 80.56	\$ 72.30	\$ 0.450
Third Quarter 2012 Fiscal Year	\$ 78.57	\$ 71.56	\$ 0.450
Fourth Quarter 2012 Fiscal Year	\$ 79.68	\$ 72.68	\$ 0.450
First Quarter 2013 Fiscal Year	\$ 79.66	\$ 74.18	\$ 0.495
Second Quarter 2013 Fiscal Year	\$ 95.73	\$ 78.73	\$ 0.495

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Third Quarter 2013 Fiscal Year	\$ 102.72	\$ 93.06	\$ 0.495
Fourth Quarter 2013 Fiscal Year	\$ 104.98	\$ 96.73	\$ 0.495
First Quarter 2014 Fiscal Year	\$ 110.94	\$ 98.30	\$ 0.545
Second Quarter 2014 Fiscal Year	\$ 117.26	\$ 105.21	\$ 0.545
Third Quarter 2014 Fiscal Year	\$ 120.66	\$ 111.07	\$ 0.545
Fourth Quarter 2014 Fiscal Year	\$ 120.41	\$ 112.15	\$ 0.545
First Quarter 2015 Fiscal Year through [ ]	[ ]	[ ]	[ ]

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On October 3, 2014, the last full trading day before the public announcement of the merger agreement, the closing sale price of a share of CareFusion common stock on the NYSE was \$46.17. On [ ], the last practicable trading day before the mailing of this proxy statement/prospectus, the closing sale price of a share of CareFusion common stock on the NYSE was \$[ ].

On October 3, 2014, the last full trading day before the public announcement of the merger agreement, the closing sale price of a share of BD common stock on the NYSE was \$115.84. On [ ], the last practicable trading day before the mailing of this proxy statement/prospectus, the closing sale price of a share of BD common stock on the NYSE was \$[ ].

As of [ ], the last date prior to mailing this proxy statement/prospectus for which it was practicable to obtain this information for CareFusion and BD, respectively, there were approximately [ ] registered holders of CareFusion common stock and approximately [ ] registered holders of BD common stock.

The following table presents the closing prices of CareFusion common stock and BD common stock on October 3, 2014, the last trading day before the public announcement of the merger agreement, and [ ], the last practicable trading day prior to the mailing of this proxy statement/prospectus. The table also shows the estimated implied value of the per share merger consideration for each share of CareFusion common stock on the relevant date.

<b>Date</b>	<b>CareFusion Closing Price</b>	<b>BD Closing Price</b>	<b>Exchange Ratio</b>	<b>Estimated Equivalent Per share Value<sup>(1)</sup></b>
October 3, 2014	\$ 46.17	\$ 115.84	0.0777	\$ 58.00
[ ]	\$ [ ]	\$ [ ]	0.0777	\$ [ ]

- (1) The implied value of the per share merger consideration represents the sum of \$49.00, the cash portion of the per share merger consideration, plus the stock portion of the per share merger consideration, based on the closing prices of BD common stock of \$115.84 on October 3, 2014 and \$[ ] on [ ].

The above tables show only historical comparisons. These comparisons may not provide meaningful information to CareFusion stockholders in determining whether to adopt the merger agreement. CareFusion stockholders are urged to obtain current market quotations for shares of BD common stock and CareFusion common stock and to review carefully the other information contained in this proxy statement/prospectus or incorporated by reference into this proxy statement/prospectus in considering whether to adopt the merger agreement. The market price of BD common stock and CareFusion common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of CareFusion common stock before, or BD common stock before or after, the effective date of the merger. Changes in the market price of BD common stock prior to the completion of the merger will affect the market value of the merger consideration that CareFusion stockholders will receive upon completion of the merger. The exchange ratio is fixed in the merger agreement, but the market price of BD common stock (and therefore the value of the merger consideration) when received by CareFusion stockholders after the merger is completed could be greater than, less than or the same as shown in the table above.



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements contained or incorporated by reference in this proxy statement/prospectus are forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements and information about our current and future prospects and our operations and financial results are based on currently available information and include statements regarding the estimated or anticipated future results of BD, and of the combined company following BD's proposed acquisition of CareFusion, the anticipated benefits of the proposed combination, including estimated synergies, the expected timing of completion of the transaction and other statements that are not historical facts. These statements are based on the current expectations of BD and CareFusion management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties regarding BD and CareFusion's respective businesses and the proposed acquisition, which could cause actual future results and financial performance to vary significantly from those anticipated in such statements. The forward-looking statements include assumptions about our operations, such as cost controls and market conditions, and certain plans, activities or events which we expect will or may occur in the future and relate to, among other things, the business combination transaction involving BD and CareFusion, the financing of the proposed transaction, the benefits, results, effects and timing of the proposed transaction, future financial and operating results, and the combined company's plans, objectives, expectations (financial or otherwise) and intentions.

Risks and uncertainties related to the proposed merger include, among others: the risk the ability of the parties to successfully close the proposed acquisition, including the risk that the required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the transaction; risks of litigation relating to the merger; risks of the outcome of pending or potential litigation or governmental investigations; risks relating to the integration of CareFusion's operations, products and employees into BD and the possibility that the anticipated synergies and other benefits of the proposed acquisition will not be realized or will not be realized within the expected timeframe; access to available financing for the refinancing of BD's or CareFusion's debt on a timely basis and reasonable terms; the ability to market and sell CareFusion's products in new markets, including the ability to obtain necessary regulatory product registrations and clearances; the loss of key senior management or other associates; the anticipated demand for BD's and CareFusion's products, including the risk of future reductions in government healthcare funding, changes in reimbursement rates or changes in healthcare practices that could result in lower utilization rates or pricing pressures; the impact of competition in the medical device industry; the risks of fluctuations in interest or foreign currency exchange rates; product liability claims; difficulties inherent in product development, including the timing or outcome of product development efforts, the ability to obtain regulatory approvals and clearances and the timing and market success of product launches; risks relating to fluctuations in the cost and availability of raw materials and other sourced products and the ability to maintain favorable supplier arrangements and relationships; successful compliance with governmental regulations applicable to BD, CareFusion and the combined company; and changes in regional, national or foreign economic conditions; and uncertainties of litigation.

Consequently, all of the forward-looking statements made by BD or CareFusion contained or incorporated by reference in this proxy statement/prospectus are qualified by factors, risks and uncertainties, including, but not limited to, those set forth under the headings titled "Risk Factors" beginning on page 41 of this proxy statement/prospectus and those set forth under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in BD's and CareFusion's annual and quarterly reports and other filings with the SEC that are incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 139 of this proxy statement/prospectus.



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Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. BD and CareFusion undertake no obligation to update or revise any forward-looking statements, even if experience or future changes make it clear that projected results expressed or implied in such statements will not be realized, except as may be required by law. As a result of these risks and others, actual results could vary significantly from those anticipated herein, and BD's and CareFusion's financial condition and results of operations could be materially adversely affected.



**Table of Contents****RISK FACTORS**

*In addition to the other information contained or incorporated by reference into this proxy statement/prospectus, including the matters addressed in Cautionary Statement Regarding Forward-Looking Statements beginning on page 39 of this proxy statement/prospectus, CareFusion stockholders should carefully consider the following risk factors in determining whether to vote for the adoption of the merger agreement. You should also read and consider the risk factors associated with each of the businesses of CareFusion and BD because these risk factors may affect the operations and financial results of the combined company. These risk factors may be found under Item 1A. Risk Factors in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2014, CareFusion's Annual Report on Form 10-K for the fiscal year ended June 30, 2014, CareFusion's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and in future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed by CareFusion and BD and incorporated by reference into this document. See the section entitled Where You Can Find More Information beginning on page 139 of this proxy statement/prospectus.*

***Because the exchange ratio is fixed and the market price of BD common stock has fluctuated and will continue to fluctuate, you cannot be sure of the value of the merger consideration you will receive.***

Upon completion of the merger, each share of CareFusion common stock outstanding immediately prior to the merger (other than those held by CareFusion as treasury stock, by BD or by any subsidiary of CareFusion or BD, or with respect to which appraisal rights have been properly exercised in accordance with the DGCL) will be converted into the right to receive (i) \$49.00 in cash, without interest, and (ii) 0.0777 of a share of BD common stock. Because the exchange ratio of 0.0777 of a share of BD common stock is fixed, the value of the stock portion of the merger consideration will depend on the market price of BD common stock at the time the merger is completed. The value of the stock portion of the merger consideration has fluctuated since the date of the announcement of the merger agreement and will continue to fluctuate from the date of this proxy statement/prospectus to the date of the CareFusion special meeting and the date the merger is completed and thereafter. Accordingly, at the time of the CareFusion special meeting, CareFusion stockholders will not know or be able to determine the market value of the merger consideration they would receive upon completion of the merger. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in BD's and CareFusion's respective businesses, operations and prospects, market assessments of the likelihood that the merger will be completed, the timing of the merger and regulatory considerations. Many of these factors are beyond BD's and CareFusion's control. You are urged to obtain current market quotations for BD common shares in deciding whether to vote for the adoption of the merger agreement.

***The market price of BD common stock after the merger will continue to fluctuate and may be affected by factors different from those affecting shares of CareFusion common stock currently.***

Upon completion of the merger, holders of CareFusion common stock will become holders of BD common stock. The market price of BD common stock may fluctuate significantly following consummation of the merger and holders of CareFusion common stock could lose the value of their investment in BD common stock. In addition, the stock market has experienced significant price and volume fluctuations in recent times which could have a material adverse effect on the market for, or liquidity of, the BD common stock, regardless of BD's actual operating performance. In addition, BD's business differs in important respects from that of CareFusion, and accordingly, the results of operations of the combined company and the market price of BD common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of BD and CareFusion. For a discussion of the businesses of BD and CareFusion and of some important factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 139 of this proxy statement/prospectus.



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***Sales of shares of BD common stock after the completion of the transaction may cause the market price of BD common stock to fall.***

Based on the number of outstanding shares of CareFusion common stock as of October 3, 2014, BD would issue approximately 16 million shares of BD common stock in connection with the transaction. Many CareFusion stockholders may decide not to hold the shares of BD common stock they will receive in the merger. Other CareFusion stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of BD common stock that they receive in the merger. Such sales of BD common stock could have the effect of depressing the market price for BD common stock and may take place promptly following the merger.

***Completion of the merger is subject to conditions and if these conditions are not satisfied or waived, the merger will not be completed.***

The obligations of BD and CareFusion to complete the merger are subject to satisfaction or waiver of a number of conditions including adoption of the merger by the CareFusion stockholders, expiration or termination of the applicable waiting periods under the HSR Act, the adoption or deemed adoption of approvals of the merger by the European Commission under the EUMR, the effectiveness of this registration statement on Form S-4 of which this proxy statement/prospectus forms a part, approval of the listing on the NYSE of the BD common stock to be issued in the merger, and the absence of an injunction prohibiting the merger. Each party's obligation to complete the merger is subject to the satisfaction or waiver (to the extent permitted under applicable law) of certain other conditions, the accuracy of the representations and warranties of the other party under the merger agreement (subject to the materiality standards set forth in the merger agreement), the performance by the other party of its respective obligations under the merger agreement in all material respects and delivery of officer certificates by the other party certifying satisfaction of the two preceding conditions. The waiting period under the HSR Act expired on November 19, 2014, satisfying the HSR Act waiting period condition.

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 102 of this proxy statement/prospectus.

The failure to satisfy all of the required conditions could delay the completion of the merger for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause BD not to realize some or all of the benefits that BD expects to achieve if the merger is successfully completed within its expected timeframe. There can be no assurance that the conditions to the closing of the merger will be satisfied or waived or that the merger will be completed. See the risk factor entitled "Failure to complete the merger could negatively affect the stock price and the future business and financial results of CareFusion," below.

***In order to complete the merger, BD and CareFusion must make certain governmental filings and obtain certain governmental authorizations, and if such filings and authorizations are not made or granted or are granted with conditions, completion of the merger may be jeopardized or the anticipated benefits of the merger could be reduced.***

Although BD and CareFusion have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to make certain governmental filings, obtain the required expiration or termination of the waiting period under the HSR Act (which occurred on November 19, 2014) and obtain notice of the adoption or deemed adoption of approvals of the merger by the European Commission under the EUMR, there can be no assurance that the European Commission will approve of the merger under the EUMR. As a condition to adoption of approvals of the merger, governmental authorities may impose requirements, limitations or costs or require divestitures or place

restrictions on the conduct of BD's business after completion of the merger.

Under the terms of the merger agreement, subject to certain exceptions, BD and its subsidiaries are required to accept certain conditions and take certain actions imposed by governmental authorities that would apply to, or

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affect, the businesses, assets or properties of it, its subsidiaries or CareFusion and its subsidiaries, described in the section entitled *The Merger Regulatory Approvals* beginning on page 83 of this proxy statement/prospectus. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of (i) delaying completion of the merger, (ii) imposing additional material costs on or materially limiting the revenues of the combined company following the merger, or (iii) otherwise adversely affecting BD's businesses and results of operations after completion of the merger. In addition, we can provide no assurance that these conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. See the sections entitled *The Merger Agreement Conditions to Completion of the Merger* and *The Merger Regulatory Approvals* beginning on pages 102 and 83, respectively, of this proxy statement/prospectus.

***Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.***

CareFusion and BD have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on BD's ability to successfully combine and integrate the businesses of BD and CareFusion. It is possible that the pendency of the merger and/or the integration process could result in the loss of key employees, higher than expected costs, diversion of management attention of both CareFusion and BD, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits and cost savings of the merger. As part of the integration process BD may also attempt to divest certain assets of the combined company, which may not be possible on favorable terms, or at all, or if successful, may change the profile of the combined company. If BD experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. BD's management continues to refine its integration plan. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on (i) each of BD and CareFusion during this transition period and (ii) the combined company for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

***CareFusion's executive officers and directors have interests in the merger that may be different from, or in addition to, your interests as a stockholder of CareFusion.***

When considering the recommendation of the CareFusion board of directors that CareFusion stockholders adopt the merger agreement, CareFusion stockholders should be aware that directors and executive officers of CareFusion have certain interests in the merger that may be different from, or in addition to, the interests of CareFusion stockholders and BD stockholders generally. These interests include, among others, the treatment of outstanding equity awards pursuant to the merger agreement, potential severance benefits and other payments, and rights to ongoing indemnification and insurance coverage by the surviving company for acts or omissions occurring prior to the merger. See the section entitled *Interests of CareFusion's Directors and Executive Officers in the Merger* beginning on page 107 of this proxy statement/prospectus for a more detailed description of these interests. As a result of these interests, these directors and executive officers of CareFusion might be more likely to support and to vote in favor of the proposals described in this proxy statement/prospectus than if they did not have these interests. CareFusion's stockholders should consider whether these interests might have influenced these directors and executive officers to support or recommend adoption of the merger agreement.

***The merger agreement limits CareFusion's ability to pursue alternatives to the merger and may discourage other companies from trying to acquire CareFusion for greater consideration than what BD has agreed to pay.***

The merger agreement contains provisions that make it more difficult for CareFusion to sell its business to a person other than BD. These provisions include a general prohibition on CareFusion soliciting any acquisition proposal or offer for a competing transaction. In some circumstances upon termination of the merger agreement,

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CareFusion may be required to pay to BD 50 percent of its out-of-pocket expenses or a termination fee of \$367 million. Further, there are only limited exceptions to (i) CareFusion's agreement that the CareFusion board will not withdraw or modify in a manner adverse to BD the recommendation of the CareFusion board of directors in favor of the adoption of the merger agreement and (ii) CareFusion's agreement not to enter into an agreement with respect to a company acquisition proposal.

These provisions might discourage a third party that has an interest in acquiring all or a significant part of CareFusion from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee or the payment of expenses that may become payable in certain circumstances.

***Failure to complete the merger could negatively affect the stock price and the future business and financial results of CareFusion.***

If the merger is not completed for any reason, including as a result of CareFusion stockholders failing to adopt the merger agreement, the ongoing business of CareFusion may be adversely affected and, without realizing any of the benefits of having completed the merger, CareFusion would be subject to a number of risks, including the following:

CareFusion may experience negative reactions from the financial markets, including negative impacts on its stock price;

CareFusion may experience negative reactions from its customers, suppliers and employees;

the merger agreement places certain restrictions on the conduct of CareFusion businesses prior to completion of the merger. Such restrictions, the waiver of which is subject to the consent of BD (not to be unreasonably withheld, conditioned or delayed), may prevent CareFusion from making certain acquisitions or taking certain other specified actions during the pendency of the merger that may be beneficial to CareFusion (see the section entitled "The Merger Agreement - Conduct of Businesses of CareFusion and BD Prior to Completion of the Merger" beginning on page 93 of this proxy statement/prospectus for a description of the restrictive covenants applicable to CareFusion); and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by CareFusion management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to CareFusion as an independent company. In addition to the above risks, CareFusion may be required, under certain circumstances, to pay to BD 50 percent of its out-of-pocket expenses or a termination fee of \$367 million, which may adversely affect CareFusion's financial results. Further, CareFusion could be subject to litigation related to any failure to complete the merger or related to any enforcement proceeding commenced against CareFusion to perform its obligations under the merger agreement. If the merger is not completed, these risks may materialize and may adversely affect CareFusion's businesses, financial condition, financial results and stock price.

***The shares of BD common stock to be received by CareFusion stockholders as a result of the merger will have rights different from the shares of CareFusion common stock.***

Upon completion of the merger, CareFusion stockholders will no longer be stockholders of CareFusion but will instead become BD stockholders, and their rights as stockholders will be governed by the terms of the BD charter and bylaws and by New Jersey corporate law. The terms of the BD charter and bylaws and New Jersey corporate law are in some respects different from the terms of the CareFusion charter and bylaws and Delaware corporate law, which currently govern the rights of CareFusion stockholders. See the section entitled Comparison of Stockholders Rights beginning on page 117 of this proxy statement/prospectus for a discussion of the different rights associated with BD common stock.



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***After the merger, CareFusion stockholders will have a significantly lower ownership and voting interest in BD than they currently have in CareFusion and will exercise less influence over management.***

Based on the number of shares of CareFusion common stock outstanding as of October 3, 2014, and the number of shares of BD common stock outstanding as of October 3, 2014, it is expected that, immediately after completion of the merger, former CareFusion stockholders will own approximately 8% of the outstanding shares of BD common stock. Consequently, former CareFusion stockholders will have less influence over the management and policies of BD than they currently have over the management and policies of CareFusion.

***In connection with the merger, BD will incur significant additional indebtedness and certain of CareFusion's indebtedness will remain outstanding, which could adversely affect BD, including by decreasing BD's business flexibility, and will increase its interest expense.***

BD's consolidated indebtedness as of September 30, 2014 was approximately \$4.0 billion. BD's pro forma indebtedness as of September 30, 2014, after giving effect to the merger and the anticipated incurrence and extinguishment of indebtedness in connection therewith, will be as much as \$14.0 billion. BD will have substantially increased indebtedness following completion of the merger in comparison to BD's indebtedness on a recent historical basis, which could have the effect, among other things, of reducing BD's flexibility to respond to changing business and economic conditions and increasing BD's interest expense. In particular, as of September 30, 2014, CareFusion had approximately \$2.0 billion of outstanding senior unsecured notes, which will remain outstanding upon completion of the merger. BD will also incur various costs and expenses associated with BD's existing debt and the debt of CareFusion, which will remain outstanding upon completion of the merger. The amount of cash required to pay interest on BD's increased indebtedness levels following completion of the merger, and thus the demands on BD's cash resources, will be greater than the amount of cash flows required to service the indebtedness of BD prior to the transaction. The increased levels of indebtedness following completion of the merger could also reduce funds available for working capital, capital expenditures, acquisitions and other general corporate purposes and may create competitive disadvantages for BD relative to other companies with lower debt levels. If BD does not achieve the expected benefits and cost savings from the merger, or if the financial performance of the combined company does not meet current expectations, then BD's ability to service its indebtedness may be adversely impacted.

Certain of the indebtedness to be incurred in connection with the merger may bear interest at variable interest rates. If interest rates increase, variable rate debt will create higher debt service requirements, which could adversely affect BD's cash flows.

The indenture governing CareFusion's existing senior unsecured notes is subject to several restrictive covenants and contains an event of default for failure to timely file its periodic reports with the SEC. Any acceleration of indebtedness that arises from an event of default under the indenture could have a material adverse effect on the business and financial condition of CareFusion and/or the combined company and the benefits BD expects to achieve as a result of the merger.

The credit agreement governing the term loan facility expected to be incurred by BD to finance the merger is also expected to be subject to several restrictive covenants and contain certain events of default. The indenture governing BD's newly issued notes is subject to several restrictive covenants and contains certain events of default. Any acceleration of indebtedness that arises from an event of default under the credit agreement or the indenture could have a material adverse effect on BD's business.

In addition, BD's credit ratings affect the cost and availability of future borrowings and, accordingly, BD's cost of capital. BD's ratings reflect each rating organization's opinion of BD's financial strength, operating performance and

ability to meet BD's debt obligations. In connection with the debt financing, it is anticipated that BD will seek ratings of its indebtedness from one or more nationally recognized statistical rating organizations. There can be no assurance that BD will achieve a particular rating or maintain a particular rating in the future.

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In the event that the ratings of CareFusion's existing notes are reduced beyond certain thresholds within certain time periods prior to or following the consummation of the merger, CareFusion could be required to offer to repurchase such notes at 101% of the aggregate amount of such notes plus any accrued and unpaid interest to the repurchase date.

Moreover, BD may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements. BD's ability to arrange additional financing or refinancing will depend on, among other factors, BD's financial position and performance, as well as prevailing market conditions and other factors beyond BD's control. BD cannot assure you that it will be able to obtain additional financing or refinancing on terms acceptable to BD or at all.

***The agreements that will govern the indebtedness to be incurred in connection with the merger may contain various covenants that impose restrictions on BD and certain of its subsidiaries that may affect their ability to operate their businesses.***

The agreements that will govern the indebtedness to be incurred in connection with the merger may contain various affirmative and negative covenants that may, subject to certain significant exceptions, restrict the ability of BD and certain of its subsidiaries to, among other things, have liens on their property, change the nature of their business, transact business with affiliates and/or merge or consolidate with any other person or sell or convey certain of their assets to any one person. In addition, some of the agreements that govern the debt financing may contain financial covenants that will require BD to maintain certain financial ratios. The ability of BD and its subsidiaries to comply with these provisions may be affected by events beyond their control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate BD's repayment obligations.

***The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations after the merger may differ materially.***

The unaudited pro forma condensed combined financial statements in this document are presented for illustrative purposes only and are not necessarily indicative of what BD's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments, which are based upon assumptions, preliminary estimates and accounting reclassifications, to record the CareFusion identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of CareFusion as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 28.

***The unaudited prospective financial information of CareFusion included in this proxy statement/prospectus involves risks, uncertainties and assumptions, many of which are beyond the control of CareFusion. As a result, it may not prove to be accurate and is not necessarily indicative of current values or future performance.***

The unaudited prospective financial information of CareFusion contained in "The Merger - Certain Unaudited Prospective Financial Information" and referred to in "The Merger - Opinion of CareFusion's Financial Advisor" involves risks, uncertainties and assumptions and is not a guarantee of future performance. The future financial results of CareFusion may materially differ from those expressed in the unaudited prospective financial information due to factors that are beyond CareFusion's ability to control or predict. CareFusion cannot provide any assurance that CareFusion's unaudited prospective financial information will be



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realized or that CareFusion's future financial results will not materially vary from the unaudited prospective financial information. The unaudited prospective financial information covers multiple years, and the information by its nature becomes subject to greater uncertainty with each successive year. The unaudited prospective financial information does not reflect CareFusion's current estimates and does not take into account any circumstances or events occurring after the date it was prepared.

More specifically, the unaudited prospective financial information:

necessarily makes numerous assumptions, many of which are beyond the control of CareFusion and may not prove to be accurate;

does not necessarily reflect revised prospects for CareFusion's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the unaudited prospective financial information was prepared;

is not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than is reflected in the unaudited prospective financial information; and

should not be regarded as a representation that the unaudited prospective financial information will be achieved.

The unaudited prospective financial information was not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP and does not reflect the effect of any proposed or other changes in GAAP that may be made in the future.

***The merger will be dilutive to BD's earnings per share, measured on a GAAP basis.***

Because shares of BD common stock will be issued in the merger, the merger will be dilutive to BD earnings per share, measured on a GAAP basis. Future events and conditions could increase the dilution that is currently projected, including adverse changes in market conditions, additional transaction and integration related costs and other factors such as the failure to realize some or all of the benefits anticipated in the merger. Any dilution of, or delay of any accretion to, BD's earnings per share could cause the price of shares of BD common stock to decline or grow at a reduced rate.

***The merger will involve substantial costs.***

CareFusion and BD have incurred, and expect to continue to incur, a number of non-recurring costs associated with the merger and combining the operations of the two companies. The substantial majority of non-recurring expenses will be comprised of transaction and regulatory costs related to the merger.

BD also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and employment-related costs. BD continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the merger and the integration of the two companies

businesses. Although BD expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow BD to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all. See the risk factor entitled Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized above.

***Lawsuits have been filed, and other lawsuits may be filed, against CareFusion, its directors, BD and Merger Corp challenging the merger, and an adverse ruling in such lawsuits may prevent the merger from becoming effective or from becoming effective within the expected timeframe.***

CareFusion, its directors, BD and Merger Corp are named as defendants in eight putative class action lawsuits brought by purported CareFusion stockholders challenging the proposed merger and seeking, among

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other things, equitable relief to enjoin consummation of the merger, rescission of the merger and/or rescissory damages. One of the conditions to the completion of the merger is that no injunction by any court or other tribunal of competent jurisdiction will be in effect that prohibits or makes illegal the consummation of the merger. As such, if any of the plaintiffs are successful in obtaining an injunction prohibiting the consummation of the merger, then such injunction may prevent the merger from becoming effective or from becoming effective within the expected timeframe. See *The Merger Litigation Related to the Merger* beginning on page 85 of this proxy statement/prospectus for more information about the lawsuits related to the merger that have been filed.

***Uncertainties associated with the merger may cause a loss of management personnel and other key employees of CareFusion or BD, which could adversely affect the future business and operations of the combined company following the merger.***

CareFusion and BD are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company's success after the merger will depend in part upon its ability to retain key management personnel and other key employees of CareFusion and BD. Current and prospective employees of CareFusion and BD may experience uncertainty about their future roles with the combined company following the merger, which may materially adversely affect the ability of each of CareFusion and BD to attract and retain key personnel during the pendency of the merger. Accordingly, no assurance can be given that the combined company will be able to retain key management personnel and other key employees of CareFusion and BD.

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**INFORMATION ABOUT THE SPECIAL MEETING**

**Time, Place and Purpose of the Special Meeting**

This proxy statement/prospectus is being furnished to CareFusion stockholders as part of the solicitation of proxies by CareFusion for use at the special meeting to be held on January 21, 2015, at 8:30 a.m. (Pacific Standard Time), at CareFusion Headquarters, located at 3750 Torrey View Court, San Diego, CA, 92130, or at any postponement or adjournment thereof.

At the special meeting, CareFusion stockholders will be asked to consider and vote upon (i) a proposal to adopt the merger agreement, (ii) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger and (iii) a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

CareFusion stockholders must adopt the merger agreement in order for the merger to occur. If CareFusion stockholders fail to adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus, and you are encouraged to read the merger agreement carefully and in its entirety.

**Record Date and Quorum**

CareFusion has set the close of business on December 18, 2014 as the record date for the special meeting, and only holders of record of CareFusion common stock on the record date are entitled to vote at the special meeting. You are entitled to receive notice of, and to vote at, the special meeting if you owned shares of CareFusion common stock as of the close of business on the record date. On the record date, there were [ ] shares of CareFusion common stock outstanding and entitled to vote and, accordingly, [ ] shares of CareFusion common stock must vote to adopt the merger agreement for the merger to occur. You will have one vote on all matters properly coming before the special meeting for each share of CareFusion common stock that you owned on the record date.

The presence, in person or represented by proxy, of holders of a majority of all of the outstanding shares of CareFusion common stock entitled to vote at the special meeting constitutes a quorum for the purposes of the special meeting. Abstentions are considered present for purposes of establishing a quorum.

**Vote Required**

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of CareFusion common stock entitled to vote thereon. For the adoption of the merger agreement, you may vote **FOR**, **AGAINST** or **ABSTAIN**. Votes to abstain will not be counted as votes cast in favor of the adoption of the merger agreement, but will count for the purpose of determining whether a quorum is present. If you fail to submit a proxy or to vote in person at the special meeting or if you vote to abstain, it will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

If your shares of CareFusion common stock are registered directly in your name with the transfer agent of CareFusion, Computershare Trust Company, N.A., you are considered, with respect to those shares of CareFusion common stock, the stockholder of record. If you are a stockholder of record, this proxy statement/prospectus and the enclosed proxy card have been sent directly to you by CareFusion.



If your shares of CareFusion common stock are held through a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares of CareFusion common stock held in street name. In that case, this proxy statement/prospectus has been forwarded to you by your bank, brokerage firm or other nominee who is considered, with respect to those shares of CareFusion common stock, the stockholder of record. As the beneficial owner, you have the right to direct your bank, brokerage firm or other nominee how to vote your shares by following their instructions for voting.

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Under the rules of the NYSE, banks, brokerage firms or other nominees who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the adoption of the merger agreement, the proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for CareFusion's named executive officers in connection with the merger, and adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. As a result, absent specific instructions from the beneficial owner of such shares of CareFusion common stock, banks, brokerage firms and other nominees are not empowered to vote those shares of CareFusion common stock on any of the proposals at the special meeting. A so-called broker non-vote results when banks, brokerage firms and other nominees return a valid proxy but do not vote on a particular proposal because they do not have discretionary authority to vote on the matter and have not received specific voting instructions from the beneficial owner of such shares.

The proposal to approve certain compensation arrangements for CareFusion's named executive officers in connection with the merger requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon; however, such vote is advisory (non-binding) only. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST the merger-related executive compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock in favor of the proposal, your shares of CareFusion common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum.

The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If you fail to submit a proxy and fail to attend the special meeting or if your shares of CareFusion common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock, your shares of CareFusion common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

## **Proxies and Revocations**

If you are a stockholder of record, you may have your shares of CareFusion common stock voted on matters presented at the special meeting in any of the following ways:

By Internet: by following the Internet voting instructions included in the notice or by following the instructions on the proxy card if you received a paper copy of the proxy materials at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015;

By Telephone: by following the telephone voting instructions included in the proxy card at any time up until 11:59 p.m. (Eastern Standard Time) on January 20, 2015;



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By Mail: by marking, dating and signing your proxy card in accordance with the instructions on it and returning it by mail in the pre-addressed reply envelope provided with the proxy materials. The proxy card must be received prior to the special meeting.

If your shares are held through a benefit or compensation plan or in street name, your plan trustee or your bank, broker or other nominee should give you instructions for voting your shares. In these cases, you may vote by Internet, telephone or mail by submitting a voting instruction form.

If you satisfy the admission requirements to the special meeting, as described above under the heading **Questions and Answers About the Merger and the Special Meeting** **When and where is the special meeting?** , you may vote your shares in person at the meeting. Even if you plan to attend the special meeting, we encourage you to vote in advance by Internet, telephone or mail so that your vote will be counted in the event you later decide not to attend the special meeting. Shares held through a benefit or compensation plan cannot be voted in person at the special meeting.

If you vote by proxy, regardless of the method you choose to vote, the individuals named on the enclosed proxy card (each of them, with full power of substitution) will vote your shares of CareFusion common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of CareFusion common stock should be voted **FOR** or **AGAINST** or to **ABSTAIN** from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of CareFusion common stock should be voted on a matter, the shares of CareFusion common stock represented by your properly signed proxy will be voted **FOR** the adoption of the merger agreement, **FOR** the advisory (non-binding) vote on certain compensation arrangements and **FOR** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

You have the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting again at a later date through any of the methods available to you, by attending the special meeting and voting in person, or by giving written notice of revocation to CareFusion prior to the time the special meeting begins. Written notice of revocation should be mailed to: CareFusion Corporation, 3750 Torrey View Court, San Diego, CA 92130, Attention: Corporate Secretary.

If you have any questions or need assistance voting your shares, please contact Morrow & Co., LLC, CareFusion's proxy solicitor, by calling toll-free at **(800) 662-5200**.

**IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF CAREFUSION COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE, OR FOLLOW THE INSTRUCTIONS ON THE PROXY CARD TO VOTE BY TELEPHONE OR INTERNET. STOCKHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.**

**Anticipated Date of Completion of the Merger**

Subject to the satisfaction or waiver of the closing conditions described under the section entitled, **The Merger Agreement** **Conditions to Completion of the Merger** beginning on page 102 of this proxy statement/prospectus, including the adoption of the merger agreement by CareFusion stockholders at the special meeting, CareFusion and BD expect that the merger will be completed in the first half of calendar year 2015. However, it is possible that factors

outside the control of both companies could result in the merger being completed at a different time or not at all.

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**Solicitation of Proxies; Payment of Solicitation Expenses**

CareFusion has engaged Morrow & Co., LLC at an estimated cost of \$20,000 plus reimbursement of reasonable expenses, to assist in the solicitation of proxies from brokers, nominees, institutions and individuals. Proxies may also be solicited on CareFusion's behalf by CareFusion's directors, officers or employees (for no additional compensation). Arrangements will also be made with custodians, nominees and fiduciaries for forwarding a notice or printed proxy materials, as applicable, to beneficial owners of shares held of record by such custodians, nominees and fiduciaries, and CareFusion will reimburse such custodians, nominees and fiduciaries for reasonable expenses incurred in connection therewith.

**Questions and Additional Information**

If you have additional questions about the merger, need assistance in submitting your proxy or voting your shares of CareFusion common stock or need additional copies of this proxy statement/prospectus or the enclosed proxy card, please contact Morrow & Co., LLC, CareFusion's proxy solicitor, by calling toll-free at **(800) 662-5200**.

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**THE PARTIES TO THE MERGER**

**CareFusion Corporation**

*3750 Torrey View Court*

*San Diego, CA 92130*

*(858) 617-2000*

CareFusion Corporation, a Delaware corporation, is a global medical technology company with proven and industry-leading products and services designed to measurably improve the safety, quality, efficiency and cost of healthcare. CareFusion offers a comprehensive portfolio of products in the areas of medication management, infection prevention, operating room and procedural effectiveness, and respiratory care.

CareFusion common stock is currently listed on the NYSE under the symbol **CFN**.

**Becton, Dickinson and Company**

*1 Becton Drive*

*Franklin Lakes, New Jersey 07417*

*(201) 847-6800*

Becton, Dickinson and Company, a New Jersey corporation, is a leading medical technology company that partners with customers and stakeholders to address many of the world's most pressing and evolving health needs. BD's innovative solutions are focused on improving drug delivery, enhancing the diagnosis of infectious diseases and cancers, supporting the management of diabetes and advancing cellular research. BD has nearly 30,000 associates in 50 countries who strive to fulfill BD's purpose of "Helping all people live healthy lives" by advancing the quality, accessibility, safety and affordability of healthcare around the world.

BD common stock is listed on the NYSE under the symbol **BDX**.

**Griffin Sub, Inc.**

*c/o Becton, Dickinson and Company*

*1 Becton Drive*

*Franklin Lakes, New Jersey 07417*

*(201) 847-6800*

Griffin Sub, Inc., a Delaware corporation and a wholly owned subsidiary of BD, was formed solely for the purpose of facilitating the merger. Merger Corp has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, Merger Corp will be merged with and into CareFusion, with CareFusion surviving the

merger as a wholly owned subsidiary of BD.



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**THE MERGER**

*This section describes the merger. The description in this section and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as Annex A and is incorporated by reference into this proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. You are encouraged to read the merger agreement carefully and in its entirety. This section is not intended to provide you with any factual information about CareFusion or BD. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings CareFusion and BD make with the SEC that are incorporated by reference into this document, as described in the section entitled *Where You Can Find More Information* beginning on page 139 of this proxy statement/prospectus.*

**Per Share Merger Consideration**

Upon completion of the merger, each issued and outstanding share of CareFusion common stock other than shares owned by CareFusion or BD, or by stockholders that have perfected and not withdrawn a demand for appraisal rights pursuant to Section 262 of the DGCL, will be converted into the right to receive (i) \$49.00 in cash, without interest, which we refer to as the cash consideration, and (ii) 0.0777 of a share of common stock, par value \$1.00 per share of BD, which we refer to as the exchange ratio. We refer to (i) and (ii) together, as the per share merger consideration. BD common stock is traded on the NYSE under the trading symbol BDX.

In the event that the outstanding shares of CareFusion common stock or BD common stock are changed into a different number of shares or a different class of shares by reason of any stock dividend, subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination, exchange of shares, or a similar event has occurred, then the exchange ratio will be appropriately adjusted.

**Background of the Merger**

Members of senior management and the board of each of BD and CareFusion periodically review and assess their respective company's financial performance and operations, financial condition and industry and regulatory developments in the context of their respective company's long-term strategic goals and plans. These reviews have included consideration, from time to time, of potential strategic opportunities to enhance stockholder value, including strategic acquisitions and divestitures, business combinations and other financial and strategic alternatives. These assessments have also included discussions about the future of the medical technology industry and industry dynamics, including the increasing importance of global scale in the industry. In the past, such reviews and assessments by BD's and CareFusion's senior management and the BD and CareFusion board of directors have resulted in divestitures of non-core businesses of each company and the expansion of each company's respective businesses through organic growth initiatives and acquisitions that support their respective strategic plans.

As part of its process for the periodic review of larger potential acquisition targets, in February 2014, BD's management determined that BD should further examine a potential acquisition of CareFusion, among other potential acquisition transactions.

Also in February 2014, Thomas Polen, BD's Group President, met with Thomas Leonard, CareFusion's President of Medical Systems, and discussed areas in which BD and CareFusion might be able to work together to broaden their respective product offerings to customers and the potential benefits of potential transactions involving the companies (including a potential business combination). At the conclusion of this meeting, it was determined by each of Messrs. Leonard and Polen that, because they were not authorized to have substantive discussions regarding a business

combination transaction, they should report the discussion to their respective Chief Executive Officers to determine if further discussions between the parties should occur.

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On March 6, 2014, the BD Board of directors held a meeting to review various opportunities relating to potential strategic transactions, including a potential transaction with CareFusion. Members of BD's senior management also attended the meeting. At the meeting, BD's senior management described, among other things (i) BD's strategy in parenteral medication safety and delivery and how a business combination with CareFusion could potentially increase BD's ability to implement and execute this strategy, and (ii) potential benefits and risks to BD and its stockholders of a potential transaction with CareFusion. The BD Board of directors authorized senior management to contact CareFusion to ascertain CareFusion's interest in exploring a possible transaction.

On March 7, 2014, Vincent Forlenza, Chairman, CEO and President of BD, called Kieran Gallahue, Chairman and Chief Executive Officer of CareFusion, and indicated that BD might be interested in exploring a potential acquisition of CareFusion by BD. During this call, Mr. Forlenza and Mr. Gallahue discussed the potential strategic benefits of combining the two companies. Mr. Gallahue indicated that CareFusion was not considering a sale of the company and was executing its own plan for growth, both organically and through acquisitions, but that the CareFusion board of directors would consider, in accordance with its fiduciary duties, any bona fide, written proposal that was compelling from a stockholder value perspective. Following the call, Mr. Gallahue updated senior management and the CareFusion board of directors regarding his discussion with Mr. Forlenza.

On March 14, 2014, Mr. Forlenza advised the BD board of directors of his discussions with Mr. Gallahue and indicated that a potential acquisition of CareFusion would be discussed at the BD board of directors meeting to be held later in March.

On March 24-25, 2014, the BD board of directors held a meeting to review various matters, including a potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman, Sachs & Co. (which is referred to as Goldman Sachs), BD's financial advisor, also attended the meeting. At the meeting, BD's senior management described, among other things (i) CareFusion's businesses and their potential strategic value to BD and its stockholders, (ii) certain preliminary financial analyses relating to a potential transaction with CareFusion, and (iii) next steps in BD's review process of a potential transaction with CareFusion.

On May 6-7, 2014, CareFusion held a regular meeting of its board of directors. Members of senior management were present at the meeting. Among other matters, the CareFusion board of directors discussed CareFusion's potential strategic options, including potential acquisition activities intended to build global scale. Mr. Gallahue reminded the board of Mr. Forlenza's approach regarding a potential acquisition of CareFusion by BD, and he indicated that there had been no new developments relative to a potential transaction with BD. Mr. Gallahue discussed CareFusion's continued focus on strategic acquisitions, including CareFusion's intent to further explore potential acquisition targets on parallel paths. The CareFusion board of directors also reviewed the three-year strategic plan prepared by management, including the potential impact of acquisitions on CareFusion's valuation. Following discussion, the CareFusion board of directors determined to continue exploring potential acquisitions and to reaffirm to BD that CareFusion was not considering a sale of the company, but would evaluate any bona fide, written proposal.

Over the next several months, Mr. Forlenza and Mr. Gallahue occasionally participated in telephone conversations, during which Mr. Forlenza again suggested that BD and CareFusion consider exploring a potential acquisition of CareFusion by BD. In addition, Mr. Forlenza and Mr. Gallahue met in-person on June 11, 2014, in connection with their attendance at the Advanced Medical Technology Association (AdvaMed) quarterly board of directors meeting in Washington, DC. During this meeting, Mr. Forlenza and Mr. Gallahue again discussed the potential strategic benefits from a combination of the two companies. Mr. Forlenza stated that BD needed to undertake a due diligence review of CareFusion in order to confirm whether these strategic benefits could be realized. In each instance, consistent with the CareFusion board of directors's direction, Mr. Gallahue reaffirmed that CareFusion was not considering a sale of the company but would evaluate any bona fide, written proposal, and, following such discussions, Mr. Gallahue would

update senior management and the CareFusion board of directors regarding these conversations.

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On July 9, 2014, the BD board of directors held a telephonic meeting to review various matters regarding a potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman Sachs also attended the meeting. At the meeting, BD's senior management described CareFusion's businesses and the potential benefits to BD and its stockholders of a transaction to support BD's strategy in the area of medication management. BD's senior management further described its assessment of the potential benefits and risks to BD and its stockholders of a transaction with CareFusion, including with respect to certain financial metrics and financial implications of the transaction to BD. Representatives of Goldman Sachs also discussed with the BD board of directors certain financial information relating to CareFusion, BD and a potential transaction. At the conclusion of this meeting, the BD board of directors expressed its support for Mr. Forlenza to deliver to Mr. Gallahue a non-binding, preliminary indication of interest in a potential acquisition of CareFusion by BD, at an indicative price of not more than \$55.00 per share of CareFusion common stock to be paid through a combination of cash and BD common stock, and for Mr. Forlenza to also seek to begin a due diligence review of CareFusion.

On August 1, 2014, Mr. Gallahue and Mr. Forlenza again discussed in a telephone call a potential acquisition of CareFusion by BD. Following the conversation, Mr. Forlenza sent to Mr. Gallahue a written non-binding, preliminary indication of interest in potentially acquiring CareFusion at an indicative price range of \$53.00 to \$55.00 per share of CareFusion common stock, to be paid approximately 70% in cash and 30% in BD common stock. In the letter, Mr. Forlenza also proposed that CareFusion enable BD to commence a due diligence review. Mr. Gallahue promptly forwarded the indication of interest to the CareFusion board of directors.

During a regularly scheduled meeting on August 5-6, 2014, the CareFusion board of directors discussed a potential combination with BD. Commencing at a working dinner on August 5, 2014, Mr. Gallahue and the CareFusion board of directors discussed BD's non-binding indication of interest, including the benefits and risks to CareFusion stockholders and the increased global scale that could result from a potential transaction with BD. Members of CareFusion senior management and representatives of Perella Weinberg Partners LP (which is referred to as Perella Weinberg), CareFusion's financial advisor, and Wachtell, Lipton, Rosen & Katz (which is referred to as Wachtell Lipton), special counsel to CareFusion, also participated in the discussion. As part of this discussion, representatives of Perella Weinberg discussed with the CareFusion board of directors its preliminary valuation analyses, which had been provided in advance to the CareFusion board of directors, including ranges of potential premiums to CareFusion's share price that might be paid in a potential transaction. The CareFusion board of directors also discussed other strategic acquisitions and opportunities that it was currently evaluating, and discussed the benefits, risks and challenges to CareFusion stockholders of a transaction with BD as compared to other strategic alternatives, including discussing the benefits and risks of remaining as an independent, standalone company. The CareFusion board of directors also discussed whether to solicit other proposals to acquire CareFusion and the benefits and risks inherent in undertaking an auction process, but ultimately determined not to do so because of the risk of losing the BD proposal if CareFusion elected to solicit other proposals, the risk that BD might lower its proposal if CareFusion elected to solicit other proposals and little to no competitive bidding emerged, and the potential significant harm to CareFusion's business if it became known to CareFusion's customers and employees that CareFusion was seeking to be sold (without assurance that a financially superior proposal would be made or consummated). The CareFusion board of directors also considered the likelihood of receiving a proposal from another potential buyer and determined that it was unlikely that there would be many other potential buyers for CareFusion, and considered that any transaction agreement with BD would likely permit any other potential buyers to submit proposals for the company. Wachtell Lipton also discussed with the CareFusion board of directors the board's fiduciary obligations related to the non-binding indication of interest. Based on its discussions during its August 5-6, 2014 meeting, the CareFusion board of directors determined to explore a potential combination with BD, but concluded that BD's proposed consideration was insufficient.

On August 9, 2014, Mr. Gallahue relayed to Mr. Forlenza the CareFusion board of directors' view that the proposed consideration was insufficient, but that CareFusion was willing to engage in discussions with BD regarding a possible transaction, including limited preliminary due diligence, with the expectation that BD would improve the consideration under its indication of interest following the limited preliminary diligence review.

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On August 18, 2014, CareFusion and BD entered into a mutual non-disclosure agreement, which contained a standstill provision. That same day, representatives of CareFusion and BD met in Salt Lake City to commence due diligence regarding the proposed transaction. At this meeting, senior management of CareFusion delivered a presentation covering topics relating to CareFusion's businesses, including financial information and an overview of CareFusion's manufacturing and operations. At this meeting, members of BD's senior management also delivered a presentation covering topics relating to BD's business, including historical financial information and an overview of BD's operations. BD also commenced a due diligence review of limited information made available by CareFusion to BD in an online data room.

On September 2, 2014, the BD board of directors held a telephonic meeting to review various matters regarding a potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman Sachs and Skadden, Arps, Slate, Meagher & Flom LLP (which is referred to as Skadden), special counsel to BD, also attended the meeting. At the meeting, BD's senior management updated the BD board of directors on the proposed transaction, including, among other things, that while CareFusion had advised BD that the CareFusion board of directors would not support a transaction in the \$53.00 to \$55.00 indicative price range indicated in BD's original indication of interest, CareFusion had allowed BD to conduct initial due diligence, including providing access to CareFusion's senior management and certain non-public financial and operational information of CareFusion. BD's senior management also reviewed its findings from BD's initial due diligence review of CareFusion and the implications of such findings on certain financial assumptions and metrics regarding the proposed transaction. Representatives of Goldman Sachs discussed with the BD board of directors certain financial information relating to CareFusion, BD and a potential transaction. The BD board of directors, BD's senior management and representatives of Goldman Sachs and Skadden discussed the various benefits and risks to BD and its stockholders associated with the potential transaction, and whether BD should deliver to CareFusion, in advance of a meeting of the CareFusion board of directors scheduled for later than week, a non-binding preliminary indication of interest at an indicative price of \$56.00 per share of CareFusion common stock. At the meeting, representatives of Skadden made a presentation regarding legal matters relating to a possible transaction, including the fiduciary duties of directors in considering the proposed transaction. The BD board of directors expressed its support for BD to deliver to CareFusion a non-binding, preliminary indication of interest in a transaction at an indicative price of \$56.00 per share of CareFusion common stock, to be paid through a combination of cash and BD common stock.

On September 3, 2014, Mr. Forlenza contacted Mr. Gallahue by telephone to present a revised non-binding indication of interest at an indicative price of \$56.00 per CareFusion share to be paid through a combination of cash and BD common stock.

On September 5, 2014, the CareFusion board of directors held a telephonic meeting to discuss the revised proposal. Members of CareFusion's senior management and representatives of Perella Weinberg and Wachtell Lipton also attended the meeting. The discussion included the topics discussed at the CareFusion board of directors meeting on August 5-6, 2014, as well as a comparison of the premium implied in the revised proposal to the range of premiums to CareFusion's share price that Perella Weinberg previously discussed with the CareFusion board of directors. In addition, the CareFusion board of directors discussed other strategic acquisitions and opportunities that it was currently evaluating, and discussed the benefits, risks and challenges to CareFusion stockholders of a transaction with BD as compared to other strategic alternatives, including discussing the benefits and risks of soliciting other proposals to acquire CareFusion and of remaining as an independent, standalone company. Representatives of Wachtell Lipton also reviewed the CareFusion board of directors' fiduciary obligations in considering the proposed transaction. Following discussion, the CareFusion board of directors authorized CareFusion's senior management to continue exploring a potential transaction with BD, and concluded that BD's proposed consideration of \$56.00 per CareFusion share was insufficient, but that the board could be supportive of a transaction with BD if the consideration were \$60.00 per CareFusion share.

On September 5, 2014, Mr. Gallahue contacted Mr. Forlenza by telephone and indicated that the CareFusion board of directors viewed BD's offer of \$56.00 per CareFusion share as insufficient. Mr. Gallahue indicated that



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he thought that the CareFusion board of directors could be supportive of a transaction at \$60.00 per CareFusion share, but that \$56.00 per CareFusion share was inadequate and that he did not know how the CareFusion board of directors would respond to an offer above \$56.00 but below \$60.00 per share of CareFusion common stock. Following discussion, Mr. Forlenza indicated that he would convene the members of the BD board of directors to discuss the potential for increasing the indicative pricing of its indication of interest and that he would plan to call Mr. Gallahue early the following week. Also on September 5, 2014, at the direction of the CareFusion board of directors, representatives of Perella Weinberg indicated to representatives of Goldman Sachs that BD's indicative pricing of \$56.00 per CareFusion share was insufficient.

On September 8, 2014, the CareFusion board of directors held a telephonic meeting to discuss the potential transaction with BD. Members of CareFusion senior management and representatives of Wachtell Lipton also attended the meeting. Mr. Gallahue reported to the CareFusion board of directors on his discussion with Mr. Forlenza and the communications between Perella Weinberg and Goldman Sachs. Among other things, he indicated that he thought that BD would likely respond with a revised indication of interest above \$56.00 per CareFusion share, and that it would likely be BD's best and final offer. The CareFusion board of directors again discussed the merits of the potential transaction with BD. Following discussion, the CareFusion board of directors indicated that if BD responded with a revised indication of interest of at least \$58.00 per CareFusion share, it would support moving forward with discussions with BD and the commencement of negotiations of a definitive transaction agreement.

Also on September 8, 2014, the BD board of directors held a telephonic meeting to review various matters regarding a potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman Sachs and Skadden also attended the meeting. At the meeting, BD's senior management updated the BD Board of directors on the proposed transaction, including, among other things, that Mr. Forlenza had communicated to Mr. Gallahue a revised non-binding, preliminary indication of interest at an indicative price of \$56.00 per share of CareFusion common stock, to be paid in cash and BD common stock, and that in response, Mr. Gallahue had indicated that he thought that the CareFusion board of directors could support an indicative price of \$60.00 per share of CareFusion common stock. BD's senior management further provided an assessment of the potential benefits and risks to BD and its stockholders of a transaction with CareFusion, including with respect to certain financial metrics, expectations of timing to complete a transaction, and financial implications of the transaction for BD and its stockholders. At the meeting, representatives of Goldman Sachs also described discussions between Goldman Sachs and Perella Weinberg as to the pricing of a potential transaction. Representatives of Goldman Sachs also discussed with the BD board of directors certain financial information relating to CareFusion, BD and a potential transaction. The BD Board of directors, BD's senior management and representatives of Goldman Sachs and Skadden discussed the various benefits and risks to BD and its stockholders associated with the potential transaction, including whether to deliver to CareFusion a revised non-binding, preliminary indication of interest at an indicative price of \$57.00 per share of CareFusion common stock and whether to increase such proposed price above \$57.00 per share of CareFusion common stock if necessary during negotiations with CareFusion. The BD board of directors expressed its support for BD to deliver to CareFusion a non-binding, preliminary indication of interest at an indicative price of \$57.00 per share of CareFusion common stock, to be paid in cash and BD common stock, and authorized BD's senior management to increase such indicative price up to \$58.00 per share of CareFusion common stock, as determined by BD's senior management, during negotiations with CareFusion's senior management and representatives.

On September 8, 2014, Mr. Forlenza spoke with Mr. Gallahue by telephone to negotiate a potential indicative price for an acquisition of CareFusion by BD. Mr. Forlenza presented BD's revised indication of interest with indicative consideration of \$57.00 per CareFusion share, consisting of a mix of cash and BD common stock with the cash portion exceeding 70% of the overall consideration. Mr. Gallahue indicated that, based on his discussions with the CareFusion board of directors to date, the CareFusion board of directors would not be willing to proceed with a transaction at a price of \$57.00 per CareFusion share. Mr. Gallahue and Mr. Forlenza then discussed an indicative

price of \$58.00 per share of CareFusion common stock, to be paid in cash and BD common stock in an amount to be determined, and concluded after discussion that a transaction at

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such a price might be possible. They agreed to reach out to their respective boards to confirm that they would be willing to pursue the next phase of negotiating a potential transaction and conducting further diligence, at an indicative price of \$58.00 per share of CareFusion common stock. Each of Messrs. Forlenza and Gallahue then updated their respective boards of directors about the revised terms.

On September 10, 2014, following confirmation with their respective boards, Mr. Forlenza and Mr. Gallahue exchanged communications indicating that they had the support of their respective boards to move forward with pursuing a potential transaction at an indicative price of \$58.00 per CareFusion share, and they agreed to instruct their advisors to start negotiating an agreement for a potential transaction. Mr. Forlenza and Mr. Gallahue agreed that the actual purchase price would have to be agreed at such time, if any, as the parties were otherwise prepared to enter into a definitive transaction agreement.

On September 10-11, 2014, representatives of BD and representatives of CareFusion discussed the framework and process for due diligence, including expectations regarding the scope of diligence and BD's access to CareFusion senior management. In addition, representatives of BD and representatives of CareFusion also discussed timing and logistics relative to the preparation of a draft transaction agreement, including potential transaction timing.

Over the next few weeks, BD and its advisors conducted a comprehensive due diligence investigation of CareFusion. During this time, CareFusion's senior management provided requested due diligence information to BD, responded to specific questions from BD and its advisors and participated in numerous conference calls with BD and its advisors regarding diligence requests.

On September 19, 2014, representatives of Skadden, on behalf of BD, delivered a draft merger agreement to representatives of Wachtell Lipton, on behalf of CareFusion. The draft merger agreement contained several provisions that CareFusion viewed as problematic, including that (i) BD was not required to close the transaction if its financing was unavailable and CareFusion would be entitled to a termination fee in such event, (ii) BD was not required to close the transaction unless certain foreign antitrust approvals were obtained, (iii) in obtaining regulatory approvals for the transaction, BD was not required to take actions that would materially impair the benefits expected to be derived by BD from the transaction, and (iv) CareFusion would be required to pay BD a termination fee of 4% of equity value of CareFusion in the event of termination of the merger agreement in certain circumstances.

On September 20-21, 2014, representatives of CareFusion communicated to representatives of BD that the draft merger agreement contained several provisions that CareFusion viewed as problematic. During these discussions, representatives of CareFusion indicated that Wachtell Lipton was in the process of preparing a revised draft of the merger agreement with CareFusion's positions on these provisions, noting that it was unlikely that CareFusion would proceed with a transaction with BD on the terms reflected in the draft merger agreement. During this time, representatives of Perella Weinberg and Goldman Sachs also engaged in communications regarding the draft merger agreement. During these discussions, Perella Weinberg reiterated CareFusion's positions on these provisions in the merger agreement and specifically discussed CareFusion's positions on these provisions in the merger agreement, including the provisions proposed by BD relating to financing.

During the week of September 22, 2014, representatives of BD and representatives of CareFusion met in San Diego to conduct in-person diligence. During this period, representatives of CareFusion also engaged in a due diligence review of BD, including with respect to BD's products, existing litigation and regulatory matters.

On September 23, 2014, the BD board of directors held a meeting to review various matters regarding a potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman Sachs, Skadden and McKinsey & Company (which is referred to as McKinsey), special advisor to BD, also attended the meeting. At

the meeting, BD's senior management updated the BD board of directors on the proposed transaction, including, among other things, the status of negotiations between the parties, certain

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considerations related to financing an acquisition of CareFusion and certain key findings of BD's ongoing due diligence review of CareFusion. As part of the review, BD senior management updated the BD board of directors on recent meetings with credit rating agencies, which indicated that BD would be able to finance the proposed transaction with more indebtedness than was originally anticipated and still maintain an investment grade rating, which would allow BD to offer a greater portion of cash as part of the overall merger consideration. BD's senior management and members of the BD board of directors discussed the risks and benefits to BD of increasing the cash portion of the overall merger consideration. BD's senior management further provided an assessment of the potential benefits and risks to BD and its stockholders of a transaction with CareFusion, including potential stockholder reaction to the transaction and the potential financial implications of the transaction to BD. Representatives of Goldman Sachs discussed with the BD board of directors certain financial information relating to CareFusion, BD and a potential transaction. Representatives of McKinsey described certain key considerations relating to the integration of the CareFusion and BD businesses should an acquisition of CareFusion be undertaken. Representatives of Skadden made a presentation regarding the fiduciary duties of directors in considering the proposed transaction, and legal considerations for the BD board of directors in connection with considering a possible transaction. BD's senior management and representatives of Skadden and Goldman Sachs discussed with the BD board of directors the material open transaction issues between the parties, as well as considerations relating to the potential acquisition financing. Also, the BD board of directors, BD's senior management and representatives of Goldman Sachs, McKinsey and Skadden discussed various benefits and risks to BD and its stockholders associated with the potential transaction.

Also on September 23, 2014, representatives of Wachtell Lipton, on behalf of CareFusion, delivered a revised draft of the merger agreement to representatives of Skadden, on behalf of BD. The revised draft merger agreement provided that (i) CareFusion could seek to specifically enforce BD's obligation to consummate the merger if BD's financing was unavailable at a time when all conditions to the merger were satisfied, (ii) the only antitrust approvals that would be conditions to closing would be antitrust approvals in the United States and European Union, (iv) in obtaining regulatory approvals for the transaction, BD had to take any action necessary to obtain such approvals, without any limit, and (iv) CareFusion would be required to pay BD a termination fee of 2% of equity value of CareFusion in the event of termination of the merger agreement in certain circumstances.

On September 25, 2014, Mr. Gallahue and Mr. Forlenza spoke by telephone to discuss the status of diligence efforts and the revised draft of the merger agreement prepared by Wachtell Lipton. Mr. Forlenza and Mr. Gallahue also discussed the combined company and the proposed approach to integration planning. Mr. Forlenza also indicated that BD would likely want to increase the cash portion of the consideration so that it consisted of more than 70% of the overall consideration value. During the call, Mr. Forlenza confirmed to Mr. Gallahue that if the transaction was completed, Mr. Gallahue would not join the combined company.

On September 27, 2014, the CareFusion board of directors held a meeting to discuss the potential transaction with BD. The meeting was also attended by CareFusion senior management and representatives of Perella Weinberg and Wachtell Lipton. At the meeting, the CareFusion board of directors, senior management and representatives of Wachtell Lipton discussed the September 19, 2014 and September 23, 2014 drafts of the merger agreement, including closing conditions, potential termination fees and triggers, employee benefit and severance matters and the open issues in the draft agreement. The CareFusion board of directors agreed with CareFusion's senior management and Wachtell Lipton regarding CareFusion's approach to the open issues, including that the financing and antitrust provisions created conditionality and an unacceptable level of risk for CareFusion stockholders.

The CareFusion board of directors also discussed the proposed merger consideration of \$58.00 per CareFusion share. Although the precise mix of cash and BD common stock had not yet been agreed between the parties, for purposes of discussion and analysis, CareFusion management and Perella Weinberg assumed that the proposed consideration would consist of approximately 80% cash and 20% BD common stock. Representatives of Perella Weinberg discussed

the premium and valuation multiple implied in the consideration as compared to

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the range of potential premiums and valuation multiples in comparable transactions. Perella Weinberg also discussed a preliminary valuation assessment for CareFusion, including its view that CareFusion's current stock price already reflected a premium based on market expectations for a transformative transaction, and that the proposed merger consideration of \$58.00 per CareFusion share reflected a sizeable premium to CareFusion's current stock price and a sizeable valuation multiple. After discussing the valuation and the mix of cash and share consideration, Wachtell Lipton noted that BD's stockholders would not be required to vote on the proposed transaction, which increased transaction certainty. The CareFusion board of directors also considered whether it should seek to negotiate a collar on the stock portion of the merger consideration. After discussion among the CareFusion board of directors and its advisors of the potential benefits and risks of a collar and the likelihood of successfully negotiating for a collar, it determined not to do so.

Representatives of Wachtell Lipton also addressed general questions relating to, among other things, the directors' fiduciary duties and the merger agreement (including, among other things, the size of the termination fee payable by CareFusion in certain circumstances and the ability of the CareFusion board of directors to respond to unsolicited proposals for alternative transactions). After extensive discussions, the CareFusion board of directors determined to authorize CareFusion's senior management to continue negotiations with BD of a definitive agreement at an indicative price of \$58.00 per share, consisting of approximately 80% cash and 20% BD common stock, subject to satisfactory resolution of the terms of the merger agreement. Mr. Gallahue indicated that he believed that CareFusion and BD would likely be able to resolve the remaining terms of the merger agreement. Mr. Gallahue also reported that management had suspended its activities related to the other strategic acquisitions and opportunities discussed previously with the board, as management did not believe that they could be accomplished on terms acceptable to CareFusion, and in light of the continued progress on a potential transaction with BD.

In the evening of September 27, 2014, representatives of Skadden, on behalf of BD, delivered a revised draft of the merger agreement to representatives of Wachtell Lipton, on behalf of CareFusion. The revised draft merger agreement continued to include the financing and antitrust provisions that CareFusion found to be problematic in the prior BD draft. On September 28-30, 2014, members of BD and CareFusion senior management, together with representatives of Skadden and representatives of Wachtell Lipton, discussed the merger agreement, including CareFusion's view that closing certainty, including with respect to financing and regulatory efforts, were key issues for the CareFusion board of directors.

On September 30, 2014, representatives of BD contacted representatives of CareFusion to convey that BD would agree to CareFusion's position with respect to transaction financing. On October 1, 2014, representatives of Wachtell Lipton provided representatives of Skadden with a revised draft of the merger agreement. The revised draft included a proposed termination fee of 2% of equity value in the event of termination of the merger agreement in certain circumstances. It also reflected changes to provisions of the merger agreement related to antitrust, including that BD would be required to take all actions to obtain antitrust approvals, unless doing so would be reasonably likely to result in a material adverse effect on the combined company, and that obtaining antitrust approvals in jurisdictions other than the United States and the European Union would not be conditions to closing.

On October 2, 2014, the BD board of directors held a meeting to review various matters regarding the potential transaction with CareFusion. Members of BD's senior management and representatives of Goldman Sachs and Skadden also attended the meeting. Prior to this meeting, members of the BD board of directors had received a description of the material provisions of the merger agreement and financing documentation to be entered into by BD in connection with the proposed transaction, as well as presentation materials from each of Goldman Sachs and Skadden, including materials describing the directors' fiduciary duties in considering the proposed transaction. At the meeting, BD's senior management updated the BD board of directors on the proposed transaction, including, among other things, the findings of BD's business due diligence review of CareFusion, the finalization of BD's financial model

for the transaction and the status of BD's communications plan for the potential transaction. BD's senior management further provided an assessment of the potential



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benefits and risks to BD and its stockholders of a transaction with CareFusion, including the potential impact of the transaction financing on BD's credit rating and considerations relating to the integration of the BD and CareFusion businesses. BD management discussed with the BD board of directors the risks and benefits to BD of revising the consideration in the proposed transaction to consist of approximately 85% cash and 15% BD common stock. Representatives of Goldman Sachs discussed with the BD board of directors certain financial information relating to CareFusion, BD and the potential transaction. Representatives of Skadden made a presentation regarding legal matters relating to a possible transaction, including the fiduciary duties of directors in considering the proposed transaction. Representatives of Skadden then reviewed with the BD board of directors the material terms of the merger agreement, the financing commitment letter and fee letter, and the transaction issues that remained unresolved by the parties. The BD board of directors, BD's senior management and representatives of Goldman Sachs and Skadden discussed various benefits and risks to BD and its stockholders associated with the potential transaction.

Also on October 2, 2014, the CareFusion board of directors met telephonically to discuss the potential transaction with BD. The meeting was also attended by CareFusion senior management and representatives of Perella Weinberg and Wachtell Lipton. The CareFusion board of directors discussed the status of the merger agreement, including the favorable resolution of the financing issue, ongoing discussions regarding the level of efforts required to obtain regulatory approvals and other key transaction terms, including closing conditions, termination rights, termination fees and employee benefit and severance matters. In addition, the CareFusion board of directors noted that representatives of BD had conveyed that BD intended to increase the cash portion of the merger consideration such that the merger consideration would consist of 85% cash and 15% BD common stock. Perella Weinberg discussed how the decrease in the stock component of the consideration would affect the pro forma ownership in BD by CareFusion's stockholders. Senior management of CareFusion also reported on discussions with senior management of BD regarding the transaction consideration mix, including the fact that the revised consideration mix resulted from, among other things, BD's discussions with credit rating agencies. After extensive discussions, the CareFusion board of directors concluded that the revised consideration mix was also reasonable to CareFusion stockholders and provisionally determined, subject to satisfactory resolution of non-financial merger agreement terms, to proceed with negotiations on the basis of merger consideration at an indicative price of \$58.00 per CareFusion share, consisting of 85% cash and 15% BD common stock.

From October 2 through October 5, 2014, the parties and their legal and financial advisors engaged in discussions and negotiations to complete due diligence and to resolve the open issues in the merger agreement, including the size of the termination fee, the circumstances in which the termination fee would be payable, the level of efforts required of BD to obtain regulatory approvals and employee benefit and severance matters. These discussions and negotiations included numerous conversations between the senior management and representatives of BD and CareFusion.

On the morning of October 5, 2014, the BD board of directors held a meeting to review various matters regarding the potential transaction with CareFusion, and to discuss the approval of the merger agreement and related documentation. Members of BD's senior management and representatives of Goldman Sachs and Skadden also attended the meeting. Prior to this meeting, members of the BD board of directors had received a description of the material provisions of the merger agreement and financing documentation to be entered into by BD in connection with the proposed transaction (including the open legal and business issues between the parties), as well as presentation materials from Goldman Sachs and Skadden. At the meeting, BD's senior management and representatives of Skadden updated the BD board of directors on the proposed transaction, including, among other things, the open issues between the parties and certain due diligence findings. BD's senior management and representatives of Goldman Sachs also reviewed with the BD board of directors the fact that the parties had tentatively agreed, subject to approval of the parties' respective boards of directors, that the consideration in the proposed transaction would consist of approximately 85% cash and 15% BD common stock. Representatives of Skadden and BD's senior management then reviewed with the BD board of directors the material terms of the merger agreement and financing documentation, including the remaining open

issues, and provided an update on the status of transaction negotiations since the October 2, 2014, meeting of the BD board

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of directors. Following the update from BD's senior management, the meeting adjourned in order for BD's senior management and advisors to seek to resolve the remaining open issues with CareFusion.

Later in the morning on October 5, 2014, the BD board of directors reconvened the previously adjourned meeting to review various matters regarding the potential transaction with CareFusion, and to discuss the approval of the merger agreement and related documentation. Following the reconvening of the meeting, BD's senior management updated the BD board of directors on the proposed transaction, including, among other things, the resolution of the remaining open issues and certain due diligence findings. At the meeting, representatives of Skadden discussed certain issues relating to the fiduciary duties of directors in considering the transaction and further reviewed the terms of the merger agreement, the financing documentation and the changes since the meeting of the BD board of directors earlier on October 5, 2014. Representatives of Goldman Sachs also discussed with the BD board of directors certain financial information related to CareFusion, BD and the potential transaction.

The BD board of directors then discussed the proposed transaction, including the potential benefits and risks to BD and its stockholders of the proposed transaction, and unanimously approved, among other things, the merger agreement, substantially in the form presented to the BD board of directors, the transactions contemplated by the merger agreement and certain related matters, including the financing documentation.

Shortly following resolution of the remaining open issues on October 5, 2014, members of the Human Resources and Compensation Committee of the CareFusion board of directors met to consider, among other things, changes to the Company's broad-based severance plan for U.S. employees, the creation of a retention program for CareFusion employees other than executive officers in connection with the proposed merger (see "The Merger Agreement - Employee Matters") and certain previously discussed changes to the Executive Change in Control Severance Plan which would not increase the severance amounts payable to CareFusion's named executive officers (see "Interests of CareFusion's Directors and Executive Officers in the Merger - Executive Change in Control Severance Plan - Amendments to the CIC Plan"). Members of senior management of CareFusion and representatives of Wachtell Lipton also attended the meeting. Members of senior management of CareFusion noted that each of these matters was disclosed to, discussed with and agreed to by BD. After discussion, the Human Resources and Compensation Committee approved the creation of the retention program and the proposed changes to the Company's broad-based severance plan for U.S. employees and the Executive Change in Control Severance Plan.

The full CareFusion board of directors then met to discuss the potential transaction. Members of CareFusion's senior management and representatives of Perella Weinberg and Wachtell Lipton also attended the meeting. During this meeting, the CareFusion board of directors reviewed CareFusion's strategic alternatives. Wachtell Lipton summarized the material terms of the proposed merger agreement and reported on the resolution of open issues during the course of negotiations with BD. Wachtell Lipton also reviewed with the CareFusion board of directors its fiduciary obligations. Perella Weinberg provided to the CareFusion board of directors Perella Weinberg's financial analysis of the transaction, and Perella Weinberg rendered to the CareFusion board of directors an oral opinion, confirmed by delivery of a written opinion dated October 5, 2014, that as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in its opinion, the consideration to be received by the holders of shares of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Perella Weinberg is more fully described in the Section entitled "Opinion of CareFusion's Financial Advisor." After discussions, including as to the matters discussed below in the section entitled "Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger;" the CareFusion board of directors, by unanimous vote of all its members, approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of CareFusion and its stockholders, and resolved to recommend that CareFusion's stockholders vote to adopt the merger agreement.



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Following the conclusion of the BD and CareFusion board of directors meetings, CareFusion, BD and their respective counsel finalized the transaction documentation and the parties executed the merger agreement. See [The Merger Agreement](#) for a discussion of the terms of the merger agreement. Also on October 5, 2014, BD and CareFusion issued a joint press release publicly announcing the execution of the merger agreement and the details of the proposed merger.

### **Recommendation of the CareFusion Board of Directors; CareFusion's Reasons for the Merger**

In reaching its decision to approve, and declare advisable, the merger agreement and resolving that it recommends that CareFusion's stockholders adopt the merger agreement, the CareFusion board of directors, as described above in the section entitled [Background of the Merger](#), held a number of meetings, consulted with CareFusion's senior management and its legal and financial advisors at Wachtell Lipton and Perella Weinberg, and considered a number of factors, including its knowledge of the business, assets, and liabilities, results of operations, financial performance, strategic direction and prospects of each of CareFusion and BD (taking into account the results of CareFusion's due diligence of BD), as well as the risks in achieving those prospects and the anticipated effects of the transaction. The various factors the CareFusion board of directors considered that weighed positively in favor of the merger agreement, the merger and the other transactions contemplated by the merger agreement included, among others and not necessarily in order of relative importance:

the fact that the merger consideration as of October 3, 2014 represented an approximately 26% premium to CareFusion's common stock's closing price of \$46.17 on October 3, 2014, the last trading day before the announcement of the merger agreement;

the fact that the merger consideration (which had a value of \$58.00 per share of CareFusion common stock as of the last trading day before the announcement of the merger agreement) was the result of successive, negotiated increases by BD from its original proposed merger consideration of \$53.00 to \$55.00 per share of CareFusion common stock;

the fact that the stock component of the merger consideration will allow CareFusion's stockholders to participate in the benefit of the anticipated synergies from the transaction following the closing of the merger, while the cash portion of the merger consideration will provide liquidity and certainty of value upon the consummation of the merger;

the opinion of Perella Weinberg rendered to the CareFusion board of directors on October 5, 2014, that as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in its opinion, the consideration to be received by the holders of shares of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger agreement was fair from a financial point of view to such holders, as more fully described in the section entitled [The Merger Opinion of CareFusion's Financial Advisor](#) ;

the fact that the merger agreement permits CareFusion, subject to certain limitations, to continue to operate in the ordinary course of business during the period prior to completion of the merger;

CareFusion's prospects for a merger or sale transaction with a company other than BD, including (i) the CareFusion board of directors' belief that there were not likely many other potential buyers for CareFusion and that, even if another potential buyer made an offer, BD's offer was likely to be the highest offer with the greatest transaction certainty; (ii) the risk of losing the BD offer if CareFusion elected to solicit other offers, the risk that BD would lower its offer if CareFusion elected to solicit other offers and little or no competitive bidding emerged; (iii) the risks associated with an auction process, including, among other things, the potential significant harm to CareFusion's business if it became known to CareFusion's customers and employees that CareFusion was seeking to be sold (without assurance that a financially superior proposal would be made or consummated); (iv) the risk of breaches of confidentiality by prospective participants in an auction process and their advisors; and

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(v) the substantial management time and resources that would be required, potentially causing significant management distraction from operating CareFusion's business;

the fact that the merger agreement permits CareFusion, subject to certain conditions, to respond to and negotiate unsolicited takeover proposals prior to the time CareFusion's stockholders approve the merger proposal and to terminate the merger agreement to accept an unsolicited takeover proposal that the CareFusion board of directors determines is superior to the BD merger;

the fact that the merger agreement permits the CareFusion board of directors, subject to certain conditions, to withdraw or modify its recommendation to CareFusion stockholders that they adopt the merger agreement if it would be reasonably likely to be inconsistent with the CareFusion board of directors' fiduciary duties to fail to do so;

the fact that BD's obligations pursuant to the merger agreement are not subject to any financing condition or similar contingency based on BD's ability to obtain financing, and that if BD were unable to obtain financing, CareFusion's remedies against BD would not be limited, and that CareFusion would be entitled to specifically enforce the merger agreement, including the obligations of BD to consummate the merger, regardless of the availability or terms of BD's financing;

the commitments made by BD with respect to obtaining the regulatory approvals required to complete the merger;

the probability that the conditions to completion of the merger would be satisfied prior to the end date;

the right of the stockholders of CareFusion to exercise dissenter's rights to assure that they receive a fair price for their shares (as more fully described in the section entitled "Appraisal Rights of CareFusion Stockholders");

the fact that the merger is subject to the approval of the stockholders of CareFusion, who will be free to approve or reject the merger, while the merger is not subject to the conditionality and execution risk of any required approval by BD's stockholders;

CareFusion's prospects as an independent company and the CareFusion board of directors' determination that a merger with BD provides more value for CareFusion stockholders on a risk-adjusted basis than executing CareFusion's strategic business plan; and

the fact that the financial and other terms and conditions of the merger agreement and the transactions contemplated thereby, including the commitments to obtain antitrust clearance provided by BD and the absence of a financing condition, were the product of arm's length negotiations between the parties and

provided reasonable assurances that the merger would ultimately be consummated on a timely basis. In addition, the CareFusion board of directors considered a variety of risks and other potentially negative factors concerning the merger. These factors included the following, which are not necessarily listed in order of relative performance:

the risks and costs to CareFusion if the merger is not completed, including uncertainty about the effect of the proposed merger on CareFusion's employees, customers, potential customers, suppliers and other parties, which may impair CareFusion's ability to attract, retain and motivate key personnel and could cause customers, potential customers, suppliers and others to seek to change or not enter into business relationships with CareFusion, and the risk that the trading price of the common stock of CareFusion could be materially adversely affected. Reasons the transaction may not be completed include, among others, the failure of the parties to obtain the requisite approval of CareFusion stockholders and the possibility that regulatory authorities seek to challenge the merger or to impose conditions that BD is not required to accept (see Regulatory Approvals and The Merger Agreement Conditions to Completion of the Merger );

the fact that, if the transaction is not completed as a result of regulatory impediments or other reasons, BD will not be obligated to pay any reverse termination fee;



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the merger agreement's restrictions on the conduct of CareFusion's business prior to the completion of the merger, generally requiring CareFusion to conduct its business only in the ordinary course and subject to specific limitations, which may (but are not likely to) delay or prevent CareFusion from undertaking business opportunities that may arise pending completion of the merger;

certain provisions of the merger agreement that could have the effect of discouraging third party offers for CareFusion, including the restriction on CareFusion's ability to solicit third party proposals for alternative transactions;

the possibility that, under certain circumstances under the merger agreement, CareFusion may be required to pay a termination fee of \$367 million or fifty percent of BD's out-of-pocket expenses incurred in connection with the merger, as more fully described in the section entitled "The Merger Agreement - Termination of the Merger Agreement - Termination Fee";

the fact that the receipt of the merger consideration in exchange for shares of CareFusion common stock pursuant to the merger will generally be a taxable transaction for U.S. federal income tax purposes;

the risk of incurring substantial expenses related to the merger, including in connection with any litigation that may result from the announcement or pendency of the merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating CareFusion's business, operations and workforce with those of BD;

the potential risk of diverting management attention and resources from the operation of CareFusion's business and towards completion of the merger; and

various other risks associated with the merger and the business of CareFusion, BD and the combined company described in the section entitled "Risk Factors."

In addition, the CareFusion board of directors was aware of and considered the interests described in the section entitled "Interests of CareFusion's Directors and Officers in the Merger."

The foregoing discussion of the information and factors considered by the CareFusion board of directors is not meant to be exhaustive, but includes the material factors considered by the CareFusion board of directors. In view of the variety of factors considered in connection with its evaluation of the merger, the CareFusion board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The CareFusion board of directors recommended the merger agreement and the merger based upon the totality of the information it considered.

The foregoing description of CareFusion's consideration of the factors supporting the merger agreement, the merger and the other transactions contemplated by the merger agreement is forward-looking in nature. This information

should be read in light of the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 39 of this proxy statement/prospectus.

**THE CAREFUSION BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT CAREFUSION STOCKHOLDERS VOTE FOR ADOPTION OF THE MERGER AGREEMENT, FOR THE APPROVAL, BY ADVISORY (NON-BINDING) VOTE, OF CERTAIN COMPENSATION ARRANGEMENTS FOR CAREFUSION'S NAMED EXECUTIVE OFFICERS IN CONNECTION WITH THE MERGER AND FOR ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE INSUFFICIENT VOTES AT THE TIME OF THE SPECIAL MEETING TO ADOPT THE MERGER AGREEMENT.**

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**Opinion of CareFusion's Financial Advisor**

The CareFusion board of directors retained Perella Weinberg to act as its financial advisor in connection with the merger. The board of directors selected Perella Weinberg based on Perella Weinberg's qualifications, expertise and reputation and its knowledge of the business and affairs of CareFusion and BD and the industries in which CareFusion and BD conduct their businesses. Perella Weinberg, as part of its investment banking business, is continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, leveraged buyouts and other transactions as well as for corporate and other purposes.

On October 5, 2014, Perella Weinberg rendered its oral opinion, subsequently confirmed in writing, to the CareFusion board of directors that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger agreement was fair, from a financial point of view, to such holders.

**The full text of Perella Weinberg's written opinion, dated October 5, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg, is attached as Annex B and is incorporated by reference herein. Holders of CareFusion common stock are urged to read Perella Weinberg's opinion carefully and in its entirety. The opinion does not address CareFusion's underlying business decision to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may be available to CareFusion. The opinion was not intended to be and does not constitute a recommendation to any holder of CareFusion common stock or BD common stock as to how such holder should vote or otherwise act with respect to the merger or any other matter. The opinion does not in any manner address the prices at which the CareFusion common stock or BD common stock will trade at any time. In addition, Perella Weinberg expressed no opinion as to the fairness of the merger to, or any consideration received in connection with the merger by, the holders of any other class of securities, creditors or other constituencies of CareFusion. Perella Weinberg provided its opinion for the information and assistance of the CareFusion board of directors in connection with, and for the purposes of its evaluation of, the merger. This summary is qualified in its entirety by reference to the full text of the opinion.**

In arriving at its opinion, Perella Weinberg, among other things:

reviewed certain publicly available financial statements and other business and financial information with respect to CareFusion and BD, including research analyst reports;

reviewed certain internal financial statements, analyses and forecasts, and other financial data relating to the business of CareFusion prepared by CareFusion's management (the "CareFusion Forecasts");

reviewed certain publicly available forecasts prepared by Wall Street analysts relating to CareFusion (the "CareFusion Public Forecasts") and BD (the "BD Public Forecasts");

discussed the past and current business, operations, financial condition and prospects of CareFusion and BD with senior executives of CareFusion and BD;

reviewed the pro forma financial impact of, among other things, the merger on the future financial performance of BD, including the potential impact on BD's estimated earnings per share;

compared the financial performance of CareFusion and BD with that of certain publicly-traded companies which Perella Weinberg believed to be generally relevant;

compared the financial terms of the merger with the publicly available financial terms of certain transactions which Perella Weinberg believed to be generally relevant;

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reviewed the historical trading prices for the shares of CareFusion common stock and BD common stock, and compared such prices of the shares of CareFusion common stock and BD common stock with that of securities of certain publicly-traded companies which Perella Weinberg believed to be generally relevant;

reviewed a draft of the merger agreement dated October 1, 2014; and

conducted such other financial studies, analyses and investigations, and considered such other factors, as Perella Weinberg deemed appropriate.

In arriving at its opinion, Perella Weinberg assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information supplied or otherwise made available to it (including information that was available from generally recognized public sources) for purposes of the opinion and further assumed, with the CareFusion board of directors' consent, that information furnished by CareFusion for purposes of Perella Weinberg's analysis did not contain any material omissions or misstatements of material fact. With respect to the CareFusion Forecasts, Perella Weinberg was advised by the management of CareFusion, and assumed, with the CareFusion board of directors' consent, that they had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of CareFusion as to the future financial performance of CareFusion and the other matters covered thereby, and Perella Weinberg expressed no view as to the assumptions on which they were based. With respect to the BD Public Forecasts, Perella Weinberg assumed, with the CareFusion board of directors' consent, that such forecasts were a reasonable basis upon which to evaluate the future financial performance of BD, and Perella Weinberg used the BD Public Forecasts in performing its analyses.

In arriving at its opinion, Perella Weinberg did not make any independent valuation or appraisal of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of CareFusion or BD, nor was it furnished with any such valuations or appraisals. In addition, Perella Weinberg did not evaluate the solvency of any party to the merger agreement under any state or federal laws relating to bankruptcy, insolvency or similar matters. In arriving at its opinion, Perella Weinberg also assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement were true and correct, that the merger would be consummated in accordance with the terms set forth in the merger agreement, without material modification (including, without limitation, modification to the mix of merger consideration or the form or structure of the transaction) or amendment, without waiver of any of its covenants or conditions, or without delay, and that the final executed merger agreement would not differ in any respect material to its analysis from the draft merger agreement that it reviewed. In addition, Perella Weinberg assumed that in connection with the receipt of all the necessary approvals of the merger, no delays, limitations, conditions or restrictions would be imposed that could have an adverse effect on CareFusion, BD or the contemplated benefits expected to be derived in the merger. Perella Weinberg also assumed that the merger would have the tax consequences described in discussions with, and materials furnished to it by, representatives of CareFusion. Perella Weinberg relied as to all legal matters relevant to rendering its opinion upon the advice of its counsel.

Perella Weinberg's opinion addressed only the fairness from a financial point of view, as of the date thereof, of the merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger agreement. Perella Weinberg was not asked to offer, and it did not offer, any opinion as to any other term of the merger agreement or the form or structure of the merger or the likely timeframe in which the merger would be consummated. Perella Weinberg was not requested to, and did not, participate in the negotiation of the merger agreement or the form or structure of the merger. In addition, Perella Weinberg expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the merger consideration. Perella Weinberg did not

express any opinion as to any tax or other consequences that may result from the transactions contemplated by the merger agreement, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which it understood CareFusion had received such advice as it deemed necessary from qualified professionals. Perella Weinberg's opinion did not address the underlying business

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decision of CareFusion to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may have been available to CareFusion. In arriving at its opinion, Perella Weinberg was not authorized to solicit, and did not solicit, interest from any third party with respect to any business combination or other extraordinary transaction involving CareFusion.

Perella Weinberg's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion. It should be understood that subsequent developments may affect Perella Weinberg's opinion and the assumptions used in preparing it, and Perella Weinberg does not have any obligation to update, revise, or reaffirm its opinion. The issuance of Perella Weinberg's opinion was approved by a fairness opinion committee of Perella Weinberg.

***Summary of Material Financial Analyses***

The following is a summary of the material financial analyses performed by Perella Weinberg and reviewed by the CareFusion board of directors in connection with Perella Weinberg's opinion relating to the merger and does not purport to be a complete description of the financial analyses performed by Perella Weinberg. The order of analyses described below does not represent the relative importance or weight given to those analyses by Perella Weinberg. Some of the summaries of the financial analyses include information presented in tabular format.

In order to fully understand Perella Weinberg's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Perella Weinberg's financial analyses.

***Historical Stock Trading of CareFusion***

Perella Weinberg reviewed the historical trading price per share of CareFusion common stock for the 52-week period ending on October 3, 2014, the last trading day prior to the day on which CareFusion and BD publicly announced the merger. Perella Weinberg noted that, during this 52-week period, the range of trading market prices per share of CareFusion common stock was \$36.73 to \$46.90, which was the all-time high closing price per share of Carefusion common stock, compared to the \$58.00 implied value per share merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger.

The historical stock trading analysis provided general reference points with respect to the trading prices of CareFusion common stock, which enabled Perella Weinberg to compare the historical prices with the merger consideration.

***Equity Research Analyst Price Targets of CareFusion***

Perella Weinberg reviewed and analyzed the most recent publicly available research analyst one-year price targets for CareFusion common stock prepared and published by selected equity research analysts during the period from August 8, 2014 through October 1, 2014. Perella Weinberg noted that the range of recent equity analyst one-year price targets for CareFusion common stock during that period was \$42.00 to \$52.00 per share, with a median one-year price target of \$48.00. Perella Weinberg then discounted these equity research analyst one-year price targets for CareFusion common stock applying a 9.5% cost of equity, which cost of equity was based on the capital asset pricing model (CAPM). Perella Weinberg noted that this range of discounted equity research analyst one-year price targets for shares of CareFusion common stock was approximately \$39.25 to \$48.50 per share compared to the \$58.00 implied value per share merger consideration to be received by the holders of CareFusion common stock (other than CareFusion

excluded shares) pursuant to the merger.



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The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for CareFusion common stock. Further, these estimates are subject to uncertainties, including the future financial performance of CareFusion and future financial market conditions.

*Selected Publicly Traded Companies Analysis of CareFusion*

Perella Weinberg reviewed and compared certain financial information for CareFusion to corresponding financial information, ratios and public market multiples for certain publicly held companies in the medical technology industry. Although none of the following companies are identical to CareFusion, Perella Weinberg selected these companies because they had publicly traded equity securities and were deemed to be similar to CareFusion in one or more respects, including operating in the medical technology, life science and diagnostic tools industries, engaged in the development, manufacture and sale of medical devices, instrument systems and reagents used by healthcare institutions, life science researchers, clinical laboratories and the pharmaceutical industry.

**CareFusion Selected Publicly Traded Companies**

Johnson & Johnson

Medtronic, Inc.

Abbott Laboratories

Baxter International Inc.

Stryker Corporation

St. Jude Medical, Inc.

Boston Scientific Corporation

Zimmer Holdings, Inc.

Smith & Nephew plc

C. R. Bard, Inc.

Hospira, Inc.

Getinge AB

ResMed, Inc.

Teleflex Incorporated

Omniceil, Inc.

For each of the selected companies, Perella Weinberg calculated and compared financial information and various financial market multiples and ratios based on company filings for historical information and consensus third party

research estimates prepared by the Institutional Brokers Estimate System, or I/B/E/S per FactSet, for forecasted information. For CareFusion, Perella Weinberg made calculations based on company filings for historical information and third party research estimates from I/B/E/S per FactSet for forecasted information.

With respect to CareFusion and each of the selected companies, Perella Weinberg reviewed enterprise value as of October 3, 2014 as a multiple of estimated 2015 earnings before interest, taxes, depreciation and amortization ( EBITDA ), and share price to estimated 2015 earnings per share, or EPS. The results of these analyses are summarized in the following table:

	<b>EV/2015E EBITDA Multiple</b>	
	<b>Average</b>	<b>Median</b>
<b>CareFusion Selected Public Trading Comparables</b>	11.2x	11.1x
	<b>Share Price/2015E Earnings Multiple</b>	
	<b>Average</b>	<b>Median</b>
<b>CareFusion Selected Public Trading Comparables</b>	17.2x	16.7x

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With respect to CareFusion, Perella Weinberg also reviewed the average multiples of enterprise value to EBITDA during the 6-month, 1-year and 2-year periods prior to October 3, 2014, and average multiples of share price to EPS during the same periods. The results of these analyses are summarized in the following table:

<b>Average EV/EBITDA Multiple</b>		
	<b>1</b>	<b>2</b>
<b>6 Months</b>	<b>Year</b>	<b>Years</b>
8.8x	8.5x	7.8x

<b>Average Share Price/Earnings Multiple</b>		
	<b>1</b>	<b>2</b>
<b>6 Months</b>	<b>Year</b>	<b>Years</b>
16.1x	16.0x	15.1x

Based on the multiples calculated above, Perella Weinberg's analyses of the various selected publicly traded companies and on professional judgments made by Perella Weinberg, Perella Weinberg selected representative ranges of multiples of 9.0x – 11.0x to apply to estimated 2015 EBITDA of CareFusion and 15.0x – 18.0x to apply to estimated 2015 EPS reference ranges for CareFusion common stock of approximately \$42.50 to \$51.75 based on estimated 2015 EBITDA and approximately \$40.75 to \$49.00 based on estimated 2015 EPS. Perella Weinberg compared these ranges to the \$58.00 implied value per share merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger.

Although the selected companies were used for comparison purposes, no business of any selected company was either identical or directly comparable to CareFusion's business. Accordingly, Perella Weinberg's comparison of selected companies to CareFusion and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies and CareFusion.

*Selected Transactions Analysis of CareFusion*

Using publicly available information, Perella Weinberg reviewed the terms of selected precedent transactions (the Selected Precedent Transactions) involving companies that operated in, or were exposed to, the medical technology industry. Perella Weinberg selected these transactions in the exercise of its professional judgment and experience because Perella Weinberg deemed them to be most similar in size, scope and impact on the industry to CareFusion or otherwise relevant to the merger.

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For each of the Selected Precedent Transactions, Perella Weinberg calculated and compared the resulting enterprise value in the transaction as a multiple of EBITDA over the last twelve months publicly reported prior to the announcement of the transaction, or EV/LTM EBITDA .

<b>Transaction Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>	<b>EV/LTM EBITDA</b>
September 2014	Merck KGaA	Sigma-Aldrich Corp.	19.7x
September 2014	Danaher Corporation	Nobel Biocare Holding AG	15.5x
June 2014	Medtronic, Inc.	Covidien plc	16.8x
April 2014	Zimmer Holdings, Inc.	Biomet, Inc.	12.2x
February 2014	Smith & Nephew plc	ArthroCare Corporation	16.5x
April 2013	Thermo Fisher Scientific Inc.	Life Technologies Corporation	12.6x
December 2012	Baxter International Inc.	Gambro AB	15.8x
April 2012	Hologic, Inc.	Gen-Probe Incorporated	20.1x
July 2011	Apax Partners/Canada Pension Plan Investment Board/Public Sector Pension Investment Board	Kinetic Concepts, Inc.	9.8x
April 2011	Johnson & Johnson	Synthes, Inc.	12.2x
April 2011	Endo Pharmaceuticals Holdings Inc.	American Medical Systems Holdings Inc.	15.9x
February 2010	Merck KGaA	Millipore Corporation	17.4x
December 2007	Royal Philips Electronics	Respironics, Inc.	19.7x
July 2007	Teleflex Incorporated	Arrow International, Inc.	16.2x
May 2007	Hologic, Inc.	Cytoc Corporation	24.1x
December 2005	Boston Scientific Corporation	Guidant Corporation	25.8x

Perella Weinberg observed that the EV/LTM EBITDA multiple implied by the \$58.00 implied value per share merger consideration was 14.1x.

Based on the multiples calculated above, Perella Weinberg's analyses of the various Selected Precedent Transactions and on professional judgments made by Perella Weinberg, Perella Weinberg selected a representative range of multiples of 12.0x – 15.0x to apply to reported EV/LTM EBITDA of CareFusion. Perella Weinberg applied such ranges to reported EV/LTM EBITDA to derive an implied per share equity reference range for CareFusion common stock of approximately \$49.25 to \$61.50 and compared that to the \$58.00 implied value per share merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger.

Although the Selected Precedent Transactions were used for comparison purposes, none of the Selected Precedent Transactions nor the companies involved in them was either identical or directly comparable to the merger or CareFusion.

*Precedent Premium Paid Analysis of CareFusion*

Using publicly available data from FactSet and Dealogic, Perella Weinberg reviewed the premiums paid in selected acquisitions of publicly-traded companies over \$1 billion in size (excluding mergers of equals) since October 1, 2009. From this pool, the following two types of acquisitions were selected and grouped together: (a) acquisitions with mixed cash and stock consideration, and (b) acquisitions with all stock consideration. Perella Weinberg also reviewed the premiums paid in selected healthcare transactions as a subgroup. Healthcare transactions were selected by identifying transactions where the target was categorized in the healthcare general industry group as defined by FactSet and Dealogic.

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For each of the transactions, based on publicly available information, Perella Weinberg calculated the premiums of the offer price in the transaction to the target company's closing stock price 30 days prior to the announcement of the transaction, and analyzed the first quartile high, median and third quartile low premiums for each of the groups described above as well as for all the transactions as a group. The results of these analyses are summarized in the table below.

	Number of Deals	Public Transactions Premiums Paid (%)		
		25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile
<b>All Deals</b>				
All Industries	548	43	29	16
Healthcare	76	56	38	23
<b>Mixed Cash and Stock</b>				
All Industries	105	40	28	17
Healthcare	13	38	31	17
<b>All Stock</b>				
All Industries	83	30	20	6
Healthcare	4	34	27	17
<b>Selected Precedent Transactions</b>	16	26	33	39

Based on the precedent premium paid data, precedent transactions data, and experience and judgment of Perella Weinberg, and recognizing that no company or transaction is identical to CareFusion or to the merger, respectively, a representative range of premiums of 20% to 30% was selected and applied to the CareFusion share price as of October 3, 2014. This analysis resulted in an implied per share equity reference range for CareFusion common stock of approximately \$55.50 to \$60.00 per share, compared to the \$58.00 implied value per share merger consideration to be received by the holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger.

*Discounted Cash Flow Analysis of CareFusion*

Perella Weinberg conducted a discounted cash flow analysis for CareFusion based on Management Case 1 and Management Case 2 (see Certain Unaudited Prospective Financial Information ) by:

calculating, in each case, the present value as of October 3, 2014 of the estimated standalone unlevered free cash flows (calculated as adjusted earnings before interest payments after taxes, plus depreciation and amortization, minus capital expenditures, and adjusting for changes in net working capital and other cash flows) that CareFusion could generate for the remainder of fiscal year 2014 through fiscal year 2024 using discount rates ranging from 8.0% to 9.0% based on estimates of the weighted average cost of capital of CareFusion derived using the CAPM, and

adding, in each case, terminal values calculated using perpetuity growth rates ranging from 1.5% to 2.5% and discounted using rates ranging from 8.0% to 9.0%.

The range of perpetuity growth rates was estimated by Perella Weinberg utilizing its professional judgment and experiences, taking into account market expectations regarding long-term real growth of gross domestic product and

inflation. Perella Weinberg also cross-checked these estimates of perpetuity growth rates against the EBITDA multiples implied by these growth rates and a range of discount rates to be applied to CareFusion's future unlevered cash flow forecasts.

Perella Weinberg used a range of discount rates from 8.0% to 9.0% derived by application of the CAPM, which takes into account certain company-specific metrics, including CareFusion's target capital structure, the cost of long-term debt, forecasted tax rate and Barra predicted beta, as well as certain financial metrics for the United States financial markets generally.

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From the range of implied enterprise values, Perella Weinberg derived ranges of implied equity values for CareFusion (discounted at 8.0% to 9.0% and using perpetuity growth rates ranging from 1.5% to 2.5%). To calculate the implied equity value from the implied enterprise value, Perella Weinberg subtracted debt and contingent consideration and added cash and cash equivalents and equity and unconsolidated investments. Perella Weinberg calculated implied value per share by dividing the implied equity value by the fully diluted shares (using the treasury method). These analyses resulted in the following implied per share equity reference range for CareFusion common stock:

	<b>Range of Implied Present Value Per Share</b>
<b>Management Case 1</b>	\$ 46.00 - \$58.00
<b>Management Case 2</b>	\$ 50.00 - \$63.25

*Historical Stock Trading of BD*

Perella Weinberg also reviewed the historical trading price per share of BD common stock for the 52-week period ending on October 3, 2014, the last trading day prior to the day on which CareFusion and BD publicly announced the merger. Perella Weinberg noted that, during this 52-week period, the range of trading market prices per share of BD common stock was \$98.30 to \$120.40 compared to the \$115.84 closing market price per share of BD common stock on October 3, 2014.

*Equity Research Analyst Price Targets of BD*

Perella Weinberg also reviewed and analyzed the most recent publicly available research analyst one-year price targets for BD common stock prepared and published by selected equity research analysts during the period from July 31, 2014 through September 29, 2014. Perella Weinberg noted that the range of recent equity analyst one-year price targets for BD common stock during that period was \$110.00 to \$138.00 per share, with a median one-year price target of \$123.00. Perella Weinberg then discounted these equity research analyst one-year price targets for BD common stock applying a 8.0% cost of equity, which cost of equity was based on CAPM. Perella Weinberg noted that this range of discounted equity research analyst one-year price targets for shares of BD common stock was approximately \$104.00 to \$130.25 per share compared to the \$115.84 closing market price per share of BD common stock on October 3, 2014.

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for BD common stock. Further, these estimates are subject to uncertainties, including the future financial performance of BD and future financial market conditions.

*Selected Publicly Traded Companies Analysis of BD*

Perella Weinberg reviewed and compared certain financial information for BD to corresponding financial information, ratios and public market multiples for certain publicly held companies in the medical technology industry. Although none of the following companies are identical to BD, Perella Weinberg selected these companies because they had publicly traded equity securities and were deemed to be similar to BD in one or more respects, including operating in the medical technology, life science and diagnostic tools industries, engaged in the development, manufacture and sale of medical devices, instrument systems and reagents used by healthcare institutions, life science researchers, clinical laboratories and the pharmaceutical industry.





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**BD Selected Publicly Traded Companies**

Johnson & Johnson

Medtronic, Inc.

Abbott Laboratories

Baxter International Inc.

Stryker Corporation

St. Jude Medical, Inc.

Boston Scientific Corporation

Zimmer Holdings, Inc.

Smith & Nephew plc

C. R. Bard, Inc.

Hospira, Inc.

Getinge AB

ResMed, Inc.

Teleflex Incorporated

Thermo Fisher Scientific Inc.

Danaher Corporation

Hologic, Inc.

Qiagen N.V.

For each of the selected companies, Perella Weinberg calculated and compared financial information and various financial market multiples and ratios based on company filings for historical information and consensus third party research estimates prepared by the Institutional Brokers Estimate System, or I/B/E/S per FactSet, for forecasted information. Perella Weinberg made calculations based on company filings for historical information and third party research estimates from I/B/E/S per FactSet for forecasted information.

With respect to BD and each of the selected companies, Perella Weinberg reviewed enterprise value as of October 3, 2014 as a multiple of estimated 2015 EBITDA, and share price to estimated 2015 EPS. The results of these analyses are summarized in the following table:

	<b>EV/2015E EBITDA Multiple</b>	
	<b>Average</b>	<b>Median</b>
<b>BD Selected Public Trading Comparables</b>	11.3x	11.1x

	<b>Share Price/2015E Earnings Multiple</b>	
	<b>Average</b>	<b>Median</b>
<b>BD Selected Public Trading Comparables</b>	16.6x	16.2x

With respect to BD, Perella Weinberg also reviewed the average multiples of enterprise value to EBITDA during the 6-month, 1-year and 2-year periods prior to October 3, 2014, and average multiples of share price to EPS during the same periods. The results of these analyses are summarized in the following table:

<b>Average EV/EBITDA Multiple</b>		
<b>6 Months</b>	<b>1 Year</b>	<b>2 Years</b>
9.8x	9.8x	9.2x

<b>Average Share Price/Earnings Multiple</b>		
<b>6 Months</b>	<b>1 Year</b>	<b>2 Years</b>
17.4x	17.3x	16.2x

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Based on the multiples calculated above, Perella Weinberg's analyses of the various selected publicly traded companies and on professional judgments made by Perella Weinberg, Perella Weinberg also selected representative ranges of multiples of 9.0x – 12.0x to apply to estimated 2015 EBITDA of BD and 15.0x – 19.0x to apply to estimated 2015 EPS of BD. Perella Weinberg noted that this analysis implied average per share equity value reference ranges for BD common stock of approximately \$101.50 to \$137.50 based on estimated 2015 EBITDA and approximately \$103.25 to \$130.75 based on estimated 2015 EPS. Perella Weinberg compared these ranges to the \$115.84 closing market price per share of BD common stock on October 3, 2014.

Although the selected companies were used for comparison purposes, no business of any selected company was either identical or directly comparable to BD's business. Accordingly, Perella Weinberg's comparison of selected companies to BD and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies and BD.

*Discounted Cash Flow Analysis of BD*

Perella Weinberg conducted a discounted cash flow analysis for BD based on the BD Public Forecasts by:

calculating, in each case, the present value as of October 3, 2014 of the estimated standalone unlevered free cash flows (calculated as adjusted earnings before interest payments after taxes plus depreciation and amortization, minus capital expenditures, and adjusting for changes in net working capital and other cash flows) that BD could generate for the remainder of fiscal year 2015 through fiscal year 2025 using discount rates ranging from 7.0% to 8.0% based on estimates of the weighted average cost of capital of BD derived using the CAPM, and

adding, in each case, terminal values calculated using perpetuity growth rates ranging from 1.5% to 2.5% and discounted using rates ranging from 7.0% to 8.0%.

The range of perpetuity growth rates was estimated by Perella Weinberg utilizing its professional judgment and experiences, taking into account market expectations regarding long-term real growth of gross domestic product and inflation. Perella Weinberg also cross-checked these estimates of perpetuity growth rates against the EBITDA multiples implied by these growth rates and a range of discount rates to be applied to BD's future unlevered cash flow forecasts.

Perella Weinberg used a range of discount rates from 7.0% to 8.0% derived by application of the CAPM, which takes into account certain company-specific metrics, including BD's target capital structure, the cost of long-term debt, forecasted tax rate and Barra predicted beta, as well as certain financial metrics for the United States financial markets generally.

From the range of implied enterprise values, Perella Weinberg derived ranges of implied equity values for BD. To calculate the implied equity value from the implied enterprise value, Perella Weinberg subtracted debt and contingent consideration and added cash and cash equivalents and equity and unconsolidated investments. Perella Weinberg calculated implied value per share by dividing the implied equity value by the fully diluted shares (using the treasury method). These analyses resulted in the following implied per share equity reference range for BD common stock:

**Range of Implied Present  
Value Per Share**

<b>BD Public Forecasts</b>	\$ 108.75 - \$151.75
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*Miscellaneous*

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein, without

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considering the analyses or the summary as a whole, could create an incomplete view of the processes underlying Perella Weinberg's opinion. In arriving at its fairness determination, Perella Weinberg considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered. Rather, Perella Weinberg made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the analyses described herein as a comparison is directly comparable to CareFusion, BD or the merger.

Perella Weinberg prepared the analyses described herein for purposes of providing its opinion to the CareFusion board of directors as to the fairness, from a financial point of view, as of the date of such opinion, of the merger consideration to be received per share by holders of CareFusion common stock (other than CareFusion excluded shares) pursuant to the merger agreement. These analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Perella Weinberg's analyses were based in part upon the CareFusion Forecast, CareFusion Public Forecasts, BD Public Forecasts and other third party research analyst estimates, which are not necessarily indicative of actual future results, and which may be significantly more or less favorable than suggested by Perella Weinberg's analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties to the merger agreement or their respective advisors, none of CareFusion, BD, Perella Weinberg or any other person assumes responsibility if future results are materially different from those forecasted by CareFusion management or third parties.

As described above, the opinion of Perella Weinberg to the CareFusion board of directors was one of many factors taken into consideration by the CareFusion board of directors in making its determination to approve the merger. Perella Weinberg was not asked to, and did not, recommend the specific consideration to the CareFusion stockholders provided for in the merger agreement, which consideration was determined through arms-length negotiations between CareFusion and BD. Perella Weinberg did not recommend any specific amount of consideration to CareFusion stockholders or the board of directors or that any specific amount of consideration constituted the only appropriate consideration for the merger.

Pursuant to the terms of the engagement letter between Perella Weinberg and CareFusion, dated April 23, 2014, as amended, CareFusion agreed to pay Perella Weinberg \$5 million upon the delivery of Perella Weinberg's opinion, and has agreed to pay Perella Weinberg an additional fee currently estimated to be approximately \$28 million upon the closing of the merger, against which the amount paid for delivery of the opinion will be credited (the transaction fee). In the event the merger is not consummated and CareFusion is paid a break-up, termination, topping or similar fee, upon receipt thereof, CareFusion agreed to pay Perella Weinberg a fee equal to 10% of such amount, provided that such fee may not exceed the transaction fee. In addition, CareFusion agreed to reimburse Perella Weinberg for its reasonable out-of-pocket expenses, including attorneys' fees and disbursements, and to indemnify Perella Weinberg and related persons for certain liabilities that may arise out of its engagement by CareFusion and the rendering of its opinion.

In the ordinary course of its business activities, Perella Weinberg or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers or clients, in debt or equity or other securities (or related derivative securities) or financial instruments (including bank loans or other obligations) of CareFusion or BD or any of their respective affiliates. Except in connection with its engagement as financial advisor to the CareFusion board of directors in connection with the merger, during the two-year period prior to the date of Perella Weinberg's opinion, no material relationship existed between Perella Weinberg and its affiliates and CareFusion or BD or their respective affiliates pursuant to which compensation was received by Perella Weinberg or its affiliates; however, Perella Weinberg and its affiliates may in the future provide investment banking and other financial services to CareFusion or BD and their respective affiliates and in the future may receive compensation for the rendering of such services.



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**Certain Unaudited Prospective Financial Information**

In connection with its consideration of strategic alternatives and discussions with BD, CareFusion prepared and provided certain prospective financial information (the CareFusion Forecasts ) to the board of directors of CareFusion and Perella Weinberg and, on a confidential basis as part of its due diligence process, BD s management. The CareFusion Forecasts were prepared for internal use and to assist CareFusion, Perella Weinberg and BD with their due diligence investigations or financial analyses, as applicable, of CareFusion.

The following summary of this information is included solely to give CareFusion stockholders access to the information that CareFusion made available to its board of directors and financial advisor and is not included in this proxy statement/prospectus in order to influence any stockholder to make any investment decision with respect to the merger, including whether or not to seek appraisal rights with respect to shares of CareFusion common stock.

The CareFusion Forecasts were not prepared with a view toward public disclosure or toward compliance with GAAP, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The CareFusion Forecasts included in this proxy statement/prospectus has been prepared by, and are the responsibility of, CareFusion s management. Neither CareFusion s independent public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the prospective financial information included below, or expressed any opinion or any other form of assurance on this information or its achievability. The PricewaterhouseCoopers LLP and Ernst & Young LLP reports incorporated by reference in this proxy statement/prospectus relate to CareFusion s historical annual financial information. They do not extend to the prospective financial information and should not be read to do so.

The CareFusion Forecasts necessarily reflect numerous estimates and assumptions made by CareFusion with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to CareFusion s business, all of which are difficult to predict and many of which are beyond CareFusion s control. The CareFusion Forecasts also reflect subjective judgment in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. The CareFusion Forecasts also reflect assumptions as to certain business decisions that are subject to change.

As such, the CareFusion Forecasts constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in such prospective information, including, but not limited to, CareFusion s performance, industry performance, general business and economic conditions, customer requirements, competition, adverse changes in applicable laws, regulations or rules, and the various risks set forth in CareFusion s reports filed with the SEC. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than forecast. For more information regarding the risks and uncertainties inherent in forward-looking information, see the section entitled Cautionary Statement Concerning Forward-Looking Statements beginning on page 39.

The CareFusion Forecasts cover multiple years and by their nature become less reliable with each successive year. In addition, the CareFusion Forecasts will be affected by CareFusion s ability to achieve strategic goals, objectives and targets over the applicable periods. The prospective information cannot, therefore, be considered a guaranty of future operating results, and this information should not be relied on as such. The inclusion of this information should not be regarded as an indication that CareFusion, BD, Merger Corp, any of their respective financial advisors or anyone who received this information then considered, or now considers, it a reliable prediction of future events, and this information should not be relied upon as such. None of CareFusion, BD, Merger Corp or any of their financial advisors or any of their affiliates assumes any responsibility for the validity, reasonableness, accuracy or completeness



of the prospective information described below. None of CareFusion, BD, Merger Corp or any of their financial advisors or any of their affiliates intends

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to, and each of them disclaims any obligation to, update, revise or correct such prospective information if it is or becomes, or the underlying assumptions are or become, inaccurate (even in the short term).

The CareFusion Forecasts do not reflect CareFusion's current estimates and do not take into account any circumstances or events occurring after the date they were prepared, including the transactions contemplated by the merger agreement. Further, the CareFusion Forecasts do not take into account the effect of any failure of the merger to occur and should not be viewed as accurate in that context. None of CareFusion, BD or Merger Corp undertakes any obligation to update the CareFusion Forecasts.

The inclusion of the CareFusion Forecasts herein should not be deemed an admission or representation by CareFusion, BD or Merger Corp that they are viewed by CareFusion, BD or Merger Corp as material information of CareFusion, and in fact, none of CareFusion, BD or Merger Corp view the CareFusion Forecasts as material because of the inherent risks and uncertainties associated with such long range forecasts. The CareFusion Forecasts should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding CareFusion contained in this proxy statement/prospectus and CareFusion's public filings with the SEC. In light of the foregoing factors and the uncertainties inherent in the CareFusion Forecasts, stockholders are cautioned not to place undue, if any, reliance on the CareFusion Forecasts included in this proxy statement/prospectus.

The unaudited prospective financial information set forth below reflects two different CareFusion Forecasts, referred to as Management Case 1 and Management Case 2. In each case, the CareFusion Forecasts treat CareFusion on a standalone basis, without giving effect to the merger or other transactions discussed in this proxy statement/prospectus and as if such merger and other transactions had not been contemplated by CareFusion. Both Management Case 1 and Management Case 2 were provided to the CareFusion board of directors and Perella Weinberg; Management Case 2 was also provided to BD.

Management Case 1 and Management Case 2 use the same estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, but reflect different estimates and assumptions regarding matters specific to CareFusion's business. Management Case 2 differs from Management Case 1 in that it assumes higher incremental revenue growth and that CareFusion is able to achieve higher incremental manufacturing efficiencies, continues to reduce its selling, general and administrative expenses and is effective in reducing its tax rate during the forecast period. As a result, Management Case 2 assumes higher revenue growth during the forecast period, as well as higher growth in adjusted operating earnings.

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The CareFusion Forecasts set forth herein regarding EBITDA, adjusted EBITDA and unlevered free cash flows may be considered non-GAAP financial measures. CareFusion provided this information to its board of directors, Perella Weinberg and BD's management because CareFusion believed it could be useful in their evaluating, on a prospective basis, CareFusion's potential operating performance and cash flow. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as used by CareFusion may not be comparable to similarly titled amounts used by other companies. Reconciliations of EBITDA, adjusted EBITDA and unlevered free cash flows to the most directly comparable GAAP measures are provided below.

**Management Case 1**

The following table presents a summary of the internal financial forecasts for Management Case 1 that were prepared by CareFusion's management (dollars in millions and rounded to the nearest million)<sup>(2)(3)</sup>

	2015E	2016E	2017E	2018E	2019E
Revenues	\$ 4,080	\$ 4,279	\$ 4,463	\$ 4,634	\$ 4,751
Adjusted EBITDA <sup>(1)</sup>	989	1,104	1,200	1,290	1,358
EBITDA <sup>(1)</sup>	931	1,059	1,152	1,235	1,283
Capital Expenditures	(120)	(125)	(125)	(128)	(131)

- (1) EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as an alternative to operating income or net earnings as a measure of operating performance, or as an alternative to cash flows, as a measure of liquidity. EBITDA is defined as earnings before interest expense, income taxes and depreciation and amortization. Adjusted EBITDA also excludes restructuring and acquisition integration charges for the fiscal years ended June 30, 2015E, 2016E, 2017E, 2018E and 2019E, as follows: \$58, \$45, \$48, \$55 and \$74.
- (2) In addition to the forecasts set forth above, the following extension of such forecasts was prepared at the direction of CareFusion's management, and CareFusion's management reviewed such extension and approved such extension for use by Perella Weinberg in their financial analyses (dollars in millions and rounded to the nearest million): EBITDA for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E was projected to be \$1,316, \$1,347, \$1,377, \$1,407 and \$1,435, respectively. Revenues for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E were projected to be \$4,866, \$4,979, \$5,089, \$5,196 and \$5,300, respectively. Capital expenditures for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E were projected to be \$(134), \$(147), \$(161), \$(174) and \$(203), respectively.
- (3) The estimated unlevered free cash flows for CareFusion calculated by Perella Weinberg based on the internal financial forecasts for CareFusion prepared by CareFusion's management and the extension thereof for the fiscal years ended June 30, 2015E-2024E were as follows (dollars in millions and rounded to the nearest million): \$552, \$642, \$696, \$748, \$790, \$807, \$805, \$802, \$797, and \$782. CareFusion's management reviewed such unlevered free cash flows and approved them for use by Perella Weinberg in their financial analyses.

A reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure is provided below (dollars in millions and rounded to the nearest million):

2015E 2016E 2017E 2018E 2019E

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Adjusted EBITDA	\$ 989	1,104	1,200	1,290	1,358
Depreciation and non-M&A-related amortization	(127)	(137)	(128)	(132)	(148)
Interest expense	(103)	(115)	(112)	(112)	(112)
Income taxes	(220)	(243)	(274)	(298)	(313)
Adjusted Net Income	539	609	686	748	785
After-tax effect of non-recurring charges and M&A-related amortization	(88)	(82)	(82)	(82)	(81)
GAAP Net Income	451	527	604	666	704

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A reconciliation of unlevered free cash flow to the most directly comparable GAAP measure is provided below (dollars in millions and rounded to the nearest million).

	2015E	2016E	2017E	2018E	2019E
Income before taxes	\$ 731	\$ 843	\$ 948	\$ 1,033	\$ 1,087
Income taxes	(212)	(240)	(270)	(294)	(310)
Depreciation and amortization	200	216	204	202	197
Increase in net working capital	(47)	(52)	(61)	(65)	(53)
Capital expenditures	(120)	(125)	(125)	(128)	(131)
Unlevered free cash flow	552	642	696	748	790

**Management Case 2**

The following table presents a summary of the internal financial forecasts for Management Case 2 that were prepared by CareFusion's management (dollars in millions and rounded to the nearest million)<sup>(2)(3)</sup>

	2015E	2016E	2017E	2018E	2019E
Revenues	\$ 4,100	\$ 4,358	\$ 4,554	\$ 4,717	\$ 4,859
Adjusted EBITDA <sup>(1)</sup>	999	1,135	1,232	1,363	1,457
EBITDA <sup>(1)</sup>	937	1,090	1,183	1,309	1,382
Capital Expenditures	(120)	(125)	(125)	(128)	(131)

- (1) EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as an alternative to operating income or net earnings as a measure of operating performance, or as an alternative to cash flows, as a measure of liquidity. EBITDA is defined as earnings before interest expense, income taxes and depreciation and amortization. Adjusted EBITDA also excludes restructuring and acquisition integration charges for the fiscal years ended June 30, 2015E, 2016E, 2017E, 2018E and 2019E, as follows: \$62, \$45, \$48, \$55 and \$75.
- (2) In addition to the forecasts set forth above, the following extension of such forecasts was prepared at the direction of CareFusion's management, and CareFusion's management reviewed such extension and approved such extension for use by Perella Weinberg in their financial analyses (dollars in millions and rounded to the nearest million): EBITDA for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E was projected to be \$1,422, \$1,460, \$1,496, \$1,530 and \$1,561, respectively. Revenues for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E were projected to be \$4,996, \$5,126, \$5,249, \$5,365 and \$5,472, respectively. Capital expenditures for the fiscal years ended June 30, 2020E, 2021E, 2022E, 2023E and 2024E were projected to be \$(135), \$(148), \$(163), \$(177) and \$(204), respectively.
- (3) The estimated unlevered free cash flows for CareFusion calculated by Perella Weinberg based on the internal financial forecasts for CareFusion prepared by CareFusion's management and the extension thereof for the fiscal years ended June 30, 2015E-2024E were as follows (dollars in millions and rounded to the nearest million): \$555, \$649, \$721, \$818, \$865, \$875, \$878, \$878, \$876, and \$865. CareFusion's management reviewed such unlevered free cash flows and approved them for use by Perella Weinberg in their financial analyses.

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A reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure is provided below (dollars in millions and rounded to the nearest million).

	2015E	2016E	2017E	2018E	2019E
Adjusted EBITDA	\$ 999	\$ 1,135	\$ 1,232	\$ 1,363	\$ 1,457
Depreciation and non-M&A-related amortization	(126)	(138)	(129)	(132)	(148)
Interest expense	(103)	(115)	(112)	(112)	(112)
Income taxes	(216)	(243)	(273)	(308)	(329)
Adjusted Net Income	554	640	719	811	868
After-tax effect of non-recurring charges and M&A-related amortization	(94)	(84)	(83)	(82)	(82)
GAAP Net Income	460	556	636	729	786

A reconciliation of unlevered free cash flow to the most directly comparable GAAP measure is provided below (dollars in millions and rounded to the nearest million).

	2015E	2016E	2017E	2018E	2019E
Income before taxes	\$ 738	\$ 874	\$ 979	\$ 1,107	\$ 1,185
Income taxes	(207)	(241)	(269)	(304)	(326)
Depreciation and amortization	199	216	204	202	197
Increase in net working capital	(55)	(75)	(68)	(59)	(60)
Capital expenditures	(120)	(125)	(125)	(128)	(131)
Unlevered free cash flow	555	649	721	818	865

**Financing of the Merger**

BD anticipates that the funds needed to complete the transactions contemplated by the merger agreement will be derived from a combination of (i) the issuance of common stock of BD to CareFusion's stockholders, (ii) available cash on hand of BD and CareFusion, (iii) borrowings under BD's commercial paper program, and (iv) third party debt financing, which we refer to as the debt financing, which is expected to include a combination of the following: (a) a senior unsecured term loan facility, (b) the issuance of senior unsecured notes or other debt securities, and/or (c) a senior unsecured bridge loan facility.

On November 26, 2014, BD obtained a debt commitment letter, which we refer to as the debt commitment letter, from Goldman Sachs Bank USA, J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A., which we refer to collectively as the commitment parties, pursuant to which the commitment parties have agreed to provide a \$1.0 billion senior unsecured 364-day term loan facility, which we refer to as the term loan facility.

Each commitment party's commitments with respect to the term loan facility and each commitment party's agreements to perform the services described in the debt commitment letter will automatically terminate on the earliest of (i) 11:59 pm on July 5, 2015 (or 11:59pm on October 5, 2015 if the end date (as defined in the merger agreement, see the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" on page 103 of this proxy statement/prospectus) is extended to October 5, 2015), (ii) the consummation of the merger, (iii) the termination of the merger agreement in accordance with its terms, or (iv) the date on which the loan agreement with respect to the term loan facility, which we refer to as the term loan agreement, has been executed and delivered by each of the parties thereto and all conditions precedent to its effectiveness have been satisfied.

The obligation of the commitment parties to provide debt financing under the debt commitment letter is subject to a number of conditions. There is a risk that these conditions will not be satisfied and the debt financing may not be available when required. In the event that the term loan facility is not available to BD on the terms set forth in the debt commitment letter or BD anticipates that the term loan facility will not be available on the terms set forth in the debt commitment letter due to the failure of a condition thereto or for any other reason, BD has the right under the merger agreement, subject to certain conditions and limitations, to seek alternative financing. As of the date of this proxy statement/prospectus, no such alternative financing has been arranged. BD's obligation to complete the merger is not conditioned upon the receipt of any financing.

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As disclosed in the Form 8-K filed on November 14, 2014, on November 14, 2014, BD entered into a senior unsecured bridge term loan agreement, which we refer to as the bridge loan agreement, by and among BD, as borrower, Goldman Sachs Bank USA, as administrative agent and the lenders party thereto pursuant to which the lenders under the bridge loan agreement have agreed to provide a \$9.1 billion senior unsecured bridge loan facility, which we refer to as the bridge loan facility, subject to conditions substantially similar to the conditions to the term loan facility. The commitments of the lenders under the bridge loan facility were automatically reduced in an amount equal to the net cash proceeds of the senior unsecured notes issued as described below and will be further reduced by the aggregate amount of the commitments under the term loan facility at the time a loan agreement is executed in connection with the term loan facility.

On December 15, 2014, BD issued \$6.2 billion aggregate principal amount of senior unsecured notes comprised of: (i) \$750 million aggregate principal amount of floating rate notes due June 15, 2016, (ii) \$1.25 billion aggregate principal amount of 1.800% notes due December 15, 2017, (iii) \$1.25 billion aggregate principal amount of 2.675% notes due December 15, 2019, (iv) \$1.75 billion aggregate principal amount of 3.734 % notes due December 15, 2024 and (v) \$1.2 billion aggregate principal amount of 4.685% notes due December 15, 2044 in an underwritten public offering pursuant to the indenture, dated March 1, 1997, between BD and The Bank of New York Mellon Trust Company, N.A., as trustee. The net proceeds of the offering will be used to fund the transactions contemplated by the merger agreement.

As of September 30, 2014, BD had total debt equal to approximately \$4.0 billion. As of such date, BD's pro forma indebtedness, after giving effect to the merger and the anticipated incurrence and extinguishment of indebtedness in connection therewith, will be as much as \$14.0 billion.

## **Closing and Effective Time**

Unless the parties otherwise mutually agree, the closing of the merger will occur on the second business day after the day on which the last of the conditions to the closing of the merger is satisfied or waived (to the extent permitted by applicable law) (other than those conditions that by their nature must be satisfied or waived at the closing of the merger, but subject to the fulfillment or waiver of such conditions).

Subject to the satisfaction or waiver of the conditions to the closing of the merger described in the section entitled "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 102 of this proxy statement/prospectus, including the adoption of the merger agreement by CareFusion stockholders at the special meeting, it is anticipated that the merger is expected to close in the first half of calendar year 2015. It is possible that factors outside the control of both companies could result in the merger being completed at a different time, or not at all.

The merger shall become effective at the time the certificate of merger is duly filed with the Secretary of State of the State of Delaware or at such later time as the parties may mutually agree and specify in the certificate of merger, which we refer to as the effective time.

## **Regulatory Approvals**

Under the HSR Act, certain transactions, including the merger, may not be completed unless statutory waiting periods have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission, which we refer to as the FTC, and the Antitrust Division of the Department of Justice, which we refer to as the DOJ. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filings of their respective HSR Act notification, unless that waiting period is terminated early. BD and CareFusion each filed their respective HSR Act notification forms on



October 20, 2014, and the 30-day waiting period expired on November 19, 2014.

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Under the EUMR, certain transactions, including the merger, may not be completed unless statutory review periods have expired or been terminated. The EUMR provides that BD must file a formal pre-merger notification with the European Commission. A transaction notifiable under the EUMR may not be completed until the expiration of a 25-working-day review period following BD's filing of its notification. If the European Commission opens an in-depth Phase II investigation, which we refer to in this proxy statement/prospectus as a Phase II, prior to the expiration of the initial review period, the parties must undergo a second 90-working-day review period, which can be extended to 125 working days in certain circumstances. BD has filed a draft EUMR notification form and anticipates filing its final EUMR notification form in the near term.

Subject to the terms of the merger agreement, CareFusion and BD have agreed to cooperate with each other and to use their respective reasonable best efforts to obtain all regulatory approvals required to complete the merger. Each of CareFusion and BD has agreed, to the extent necessary to resolve objections, if any, that a governmental authority of competent jurisdiction asserts with respect to any required antitrust or similar competition approval under any applicable law with respect to the merger, and to avoid or eliminate all impediments under any applicable antitrust or similar competition law asserted by any such governmental authority of competent jurisdiction with respect to the merger so as to permit the closing to occur by the end date (as defined in the merger agreement, see the section entitled "The Merger Agreement Termination of the Merger Agreement Termination" on page 103 of this proxy statement/prospectus), to (i) propose, negotiate, effect the sale, divestiture, license, or other disposition of any business, assets, equity interests, product lines or properties of BD or CareFusion (or either party's respective subsidiaries), (ii) create, terminate or divest relationships, contractual rights or obligations of BD or CareFusion (or either party's respective subsidiaries) and (iii) take or commit to take any action which limits BD's right to retain directly or indirectly retain or hold any business, assets, equity interests, product lines or properties, in each case as required in order to obtain any antitrust or similar competition approval so as to permit the closing to occur by the end date.

However, in no event will BD or any of its subsidiaries be required to, and CareFusion and its subsidiaries will not, without the prior written consent of BD, take any action, or agree to any condition or limitation that (i) would, or would reasonably be expected to, have a material adverse effect on the business, results of operations, or financial condition of either BD and its subsidiaries or CareFusion and its subsidiaries (in each case measured on a scale relative to CareFusion and its subsidiaries, taken as a whole), (ii) would, or would be reasonably likely to, individually or in the aggregate result in any loss of 50% or more of net sales revenues (measured by net sales revenue for the trailing twelve month period) to BD's and its subsidiaries' IV catheter business conducted in the United States, (iii) would, or would be reasonably likely to, individually or in the aggregate result in any loss of 50% or more of net sales revenues (measured by net sales revenue for the trailing twelve month period) to BD's and its subsidiaries' IV catheter business conducted outside the United States or (iv) in order to avoid the entry of, or to effect the dissolution of, any competition law order in a jurisdiction other than the United States or the European Union, would require BD to take any action with respect to any business, properties or assets of BD and its subsidiaries, or CareFusion and its subsidiaries, located outside of the home country of the governmental authority of competent jurisdiction in respect of such a competition law order.

## **Accounting Treatment**

BD prepares its financial statements in accordance with GAAP. The merger will be accounted for using the acquisition method of accounting. BD will be treated as the acquirer for accounting purposes.

## **NYSE Market Listing**

The shares of BD common stock to be issued in the merger will be listed for trading on the NYSE.

**Delisting and Deregistration of CareFusion Common Stock**

If the merger is completed, CareFusion common stock will be delisted from the NYSE and deregistered under the Exchange Act.

**Table of Contents****BD's Dividend Policy**

BD currently pays regular quarterly dividends and anticipates paying dividends on its common stock in the foreseeable future. BD declared a quarterly dividend of \$0.60 per common share, which will be payable on December 31, 2014 to holders of record on December 10, 2014. The indicated annual dividend rate for BD's fiscal year 2015 is \$2.40 per share. Any change to the payment of dividends by BD would require approval by the BD board of directors and the board may change its dividend policy at any time. See [Comparative Per Share Market Price and Dividend Information](#) beginning on page 37 for a comparison of the historical dividend practices of BD and CareFusion.

**Litigation Related to the Merger**

Five putative stockholder class action lawsuits were filed against CareFusion, its directors, BD and Merger Corp in the Delaware Court of Chancery, under the captions *Cindy Algase Gradl v. CareFusion Corporation, et al.*, C.A. No. 10214 (October 8, 2014) (which we refer to as the *Gradl action*), *Judy Nadler v. CareFusion Corporation, et al.*, C.A. No. 10239 (October 15, 2014) (which we refer to as the *Nadler action*), *Helen Meinhardt v. CareFusion Corporation, et al.*, C.A. No. 10263 (October 21, 2014) (which we refer to as the *Meinhardt action*), *Irene Dixon v. CareFusion Corporation, et al.*, C.A. No. 10266 (October 22, 2014) (which we refer to as the *Dixon action*), and *Dorothy E. Dorn v. CareFusion Corporation, et al.*, C.A. No. 10292 (October 28, 2014) (which we refer to as the *Dorn action*). Three putative stockholder class action lawsuits were filed against CareFusion, its directors, BD and Merger Corp in the Superior Court of California under the captions *Michael J. Henriques v. CareFusion Corporation, et al.*, No. 37-2014-00035379-CU-SL-CTL (San Diego County) (October 17, 2014) (which we refer to as the *Henriques action*), *Washtenaw County Employees Retirement System v. CareFusion, et al.*, No. 37-2014-00037010-CU-SL-CTL (San Diego County) (October 29, 2014) (which we refer to as the *Washtenaw action*), and *Levinson v. CareFusion, et al.*, No. 114CV272631 (Santa Clara County) (October 30, 2014) (which we refer to as the *Levinson action*). The complaints in these actions allege generally that the members of the board of directors of CareFusion breached their fiduciary duties in connection with the merger by, among other things, carrying out a process that the plaintiffs allege did not ensure adequate and fair consideration to CareFusion stockholders. The complaints further allege that CareFusion, BD and Merger Corp aided and abetted the individual defendants' breaches of their fiduciary duties. The plaintiffs in these actions seek, among other things, equitable relief to enjoin consummation of the merger, rescission of the merger and/or rescissory damages, and attorneys' fees and costs.

All defendants answered the complaints in the *Gradl*, *Nadler*, *Meinhardt*, *Dixon* and *Dorn* actions denying that the CareFusion directors breached their fiduciary duties and that any defendant aided and abetted the alleged breaches of their fiduciary duties and asserting affirmative defenses. On November 7, 2014, plaintiff in the *Gradl* action filed a motion for a preliminary injunction and a motion for expedited proceedings. On November 25, 2014, plaintiffs in the *Gradl* and *Nadler* actions filed amended complaints against CareFusion, its directors, BD and Merger Corp, which add, among others, allegations that this registration statement on Form S-4 failed to disclose all material facts regarding the proposed merger to CareFusion's stockholders. By orders dated November 24 and November 25, 2014, the Delaware Court of Chancery consolidated the *Gradl*, *Nadler*, *Meinhardt*, *Dixon* and *Dorn* actions under the caption *In re CareFusion Corporation Stockholders Litigation, Consolidated C.A. No. 10214-VCN* (which we refer to as the *Consolidated Delaware Action*), appointed lead plaintiffs and lead counsel, set a January 13, 2015 hearing date for the preliminary injunction motion and entered a schedule for expedited proceedings in advance of that hearing. The parties are engaged in expedited discovery in the *Consolidated Delaware Action* pursuant to that schedule.

On November 4, 2014, CareFusion filed a motion to dismiss or stay the proceedings in the *Henriques* action pending the resolution of the Delaware actions, which BD subsequently joined. On November 5, 2014, plaintiff filed an *ex parte* motion for expedited discovery in the *Henriques* action. On November 20, the Superior Court of California (San Diego County) entered an order consolidating the *Henriques* and *Washtenaw* actions and setting November 26, 2014,

as the hearing date for the pending motions to dismiss or stay and for expedited discovery.

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Following that hearing, on December 1, 2014, the Court granted defendants' motion to stay the Henriques and Washtenaw actions and ruled that plaintiff's motion for expedited discovery was moot.

On November 19, 2014 the Superior Court of California (Santa Clara County) entered an order deeming the Levinson action complex and staying discovery and certain other proceedings pending a case management conference on March 6, 2015. On December 2, 2014, plaintiff in the Levinson action filed an amended complaint against CareFusion, its directors, BD and Merger Corp, adding, among others, allegations that this registration statement on Form S-4 failed to disclose all material facts regarding the proposed merger to CareFusion's stockholders. Pursuant to the Court's order, defendants are not required to file or serve responsive pleadings until a date is set at the case management conference on March 6, 2015.

CareFusion, its directors, BD and Merger Corp intend to defend these actions vigorously.

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**THE MERGER AGREEMENT**

*This section describes the material terms of the merger agreement. The description in this section and elsewhere in this proxy statement/prospectus is qualified in its entirety by reference to the complete text of the merger agreement, a copy of which is attached as Annex A and is incorporated by reference into this proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. You are encouraged to read the merger agreement carefully and in its entirety. This section is not intended to provide you with any factual information about CareFusion or BD. Such information can be found elsewhere in this proxy statement/prospectus and in the public filings CareFusion and BD make with the SEC, as described in the section entitled *Where You Can Find More Information* beginning on page 139 of this proxy statement/prospectus.*

**Explanatory Note Regarding the Merger Agreement**

The merger agreement is included to provide you with information regarding its terms. Factual disclosures about CareFusion and BD contained in this proxy statement/prospectus and/or in the public reports of CareFusion and BD filed with the SEC may supplement, update or modify the factual disclosures about CareFusion and BD contained in the merger agreement. The merger agreement contains representations and warranties by CareFusion, on the one hand, and by BD and Merger Corp, on the other hand, made solely for the benefit of the other. The representations, warranties and covenants made in the merger agreement by CareFusion, BD and Merger Corp were qualified and subject to important limitations agreed to by CareFusion, BD and Merger Corp in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of establishing circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties also may be subject to a contractual standard of materiality different from that generally applicable to stockholders and reports and documents filed with the SEC and were qualified by the matters contained in the confidential disclosure schedules that CareFusion and BD each delivered in connection with the merger agreement and certain documents filed with the SEC. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this proxy statement/prospectus, may have changed since the date of the merger agreement. Accordingly, the representations and warranties in the merger agreement should not be relied on by any persons as characterizations of the actual state of facts about CareFusion or BD at the time they were made or otherwise.

**Effective Time, Effects of the Merger; Organizational Documents of the Surviving Company; Directors and Officers**

*Effective Time*

The merger agreement provides for the merger of Merger Corp with and into CareFusion. After the merger, CareFusion will be the surviving company and a wholly owned subsidiary of BD. On the closing date, CareFusion and Merger Corp will effect the merger by filing a certificate of merger with the Secretary of State of the State of Delaware, and the merger will become effective upon filing or at a time agreed to by the parties and specified on the certificate of merger. At the effective time, all of the property, rights and privileges of CareFusion and Merger Corp will vest in the surviving company, and all of the liabilities and obligations of CareFusion and Merger Corp will become liabilities and obligations of the surviving company.

*Effects of the Merger on Capital Stock*

At the effective time, each share of CareFusion common stock issued and outstanding immediately prior to the effective time, other than the cancelled and dissenting shares described below, will automatically become the



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right to receive the per share merger consideration, less any applicable withholding taxes, which is described in the section entitled *The Merger Per Share Merger Consideration* beginning on page 54.

Also at the effective time, each share of CareFusion common stock issued and outstanding immediately prior to the effective time that is, directly or indirectly, (i) owned or held in treasury by CareFusion, (ii) owned by BD or (iii) owned by Merger Corp, which shares we refer to as cancelled shares, will automatically be cancelled and will cease to exist. No consideration will be delivered in exchange for any cancelled shares.

Each share of CareFusion common stock issued and outstanding and held by a person who has not voted in favor of the adoption of the merger agreement, who we refer to as dissenting stockholders, and has complied with all provisions of the DGCL concerning the rights of CareFusion stockholders to require appraisal of their shares, which we refer to as dissenting shares, will not be converted into the right to receive the merger consideration, which we describe below. Instead, dissenting shares will become the right to receive whatever consideration may be determined to be due to such dissenting stockholder under Section 262 of the DGCL. If any dissenting stockholder waives or withdraws its demand for appraisal or otherwise loses its right of appraisal under the DGCL, dissenting shares held by such dissenting stockholder will be treated as though such dissenting shares had been converted into the right to receive the merger consideration as of the effective time of the merger. For more information regarding appraisal rights, see the section entitled *Appraisal Rights of CareFusion Stockholders* beginning on page 132 of this proxy statement/prospectus. In addition, a copy of Section 262 of the DGCL is attached as **Annex C** to this proxy statement/prospectus.

All shares of CareFusion common stock converted into the right to receive the merger consideration will cease to exist as of the effective time. No fractional shares of BD common stock will be issued in connection with the merger. Instead, each holder of CareFusion common stock converted under the terms of the merger who would have otherwise been entitled to receive a fraction of a share of BD common stock (after aggregating and rounding to three decimal places all shares delivered by such holder) will instead receive cash, without interest, rounded down to the nearest cent, in an amount determined by multiplying the fraction by an amount equal to the average of the volume weighted average price per share of BD common stock on the NYSE on each of the ten (10) consecutive trading days ending with the complete trading day immediately prior to the closing date of the merger; we refer to such cash as the fractional share cash amount. Shares of CareFusion common stock will, after the effective time, represent only the right to receive the merger consideration and any fractional share cash amount into which the shares have been converted, as well as any dividends or other distributions to which holders of CareFusion common stock are otherwise entitled.

At the effective time, each share of common stock, par value \$0.01 per share, of Merger Corp issued and outstanding immediately prior to the effective time will become one validly issued, fully paid and nonassessable share of common stock, par value \$0.01 per share, of the surviving company. After the effective time, all certificates representing the common stock of Merger Corp will be deemed to represent the number of shares of common stock of the surviving company into which they were converted pursuant to the foregoing.

*Organizational Documents of the Surviving Company; Directors and Officers*

The certificate of incorporation and bylaws of CareFusion, as in effect immediately prior to the effective time of the merger, but as amended in connection with the merger, will become the certificate of incorporation and bylaws of the surviving company, although such bylaws will be amended to read in their entirety as the bylaws of Merger Corp as in effect immediately prior to the effective time of the merger, except the references to Merger Corp's name will be replaced by references to CareFusion Corporation.

The individuals holding positions as directors and officers of Merger Corp immediately prior to the effective time will become the initial directors and officers of the surviving company.

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### **Exchange and Payment Procedures**

Prior to the effective time, BD will appoint a nationally recognized financial institution, which is reasonably acceptable to CareFusion, to act as exchange agent for the payment of the merger consideration. Prior to the effective time, BD will deposit (i) book-entry shares of BD common stock representing the number of whole shares of BD common stock sufficient to deliver the aggregate stock consideration (and/or certificates representing these shares) and (ii) cash sufficient to pay the aggregate cash portion of the consideration. We refer to such cash, book-entry shares and certificates, along with any dividends or distributions that become due to the holders of converted CareFusion common stock, as the exchange fund.

Each holder of record of shares of CareFusion common stock whose shares were converted into the right to receive the merger consideration will automatically and upon the effective time be entitled to receive, and BD will cause the exchange agent to pay and deliver as promptly as practicable after the effective time of the merger the merger consideration, any fractional share cash amount into which the shares have been converted and the amount of any dividends or distributions with a record date after the effective time of the merger but prior to the time of delivery by the exchange agent.

#### *Rights of CareFusion Stockholders Following the Effective Time*

The cash and stock consideration issued and paid in accordance with the terms of the merger agreement will be deemed to have been issued, delivered and paid in full satisfaction of all rights to receive dividends or other distributions, including the cash portion of the merger consideration, granted by the merger agreement to shares of CareFusion common stock. At and after the effective time, all holders of shares of CareFusion common stock will cease to hold any rights as CareFusion stockholders, other than the right to receive the per share merger consideration, fractional share cash amount and any dividends or other distributions that have become payable with respect to BD common stock.

#### *Transfers Following the Effective Time*

In addition, the stock transfer books of CareFusion will be closed with respect to all shares of CareFusion common stock outstanding immediately prior to the effective time. Any shares formerly representing shares of CareFusion common stock presented to CareFusion, as the surviving company, or the exchange agent after the effective time will be cancelled and exchanged for the per share merger consideration.

#### *Investment of the Exchange Fund*

The exchange agent will invest the cash included in the exchange fund as directed by BD. Any such investment of the cash by the exchange agent will be limited to direct short-term securities of, or backed by the full faith and credit of, the United States of America, commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding \$10 billion. In the event of any losses that affect the amounts payable to holders of shares representing shares of CareFusion common stock, BD will promptly provide additional funds to the exchange agent for the benefit of the holders of CareFusion common stock. Any interest or other income accrued on or resulting from the foregoing investments will be paid on demand by the exchange agent to BD. Any portion of the exchange fund that remains undistributed for nine months after the effective time will be delivered to CareFusion, as the surviving company, on demand. Any holders of shares representing shares of CareFusion common stock who have not yet surrendered their shares must look to BD, as the surviving company, for the satisfaction of any claims to receive the per share merger consideration, fractional share cash amount or any

dividends or other distributions that have become payable with respect to BD common stock. No interest will be payable on the foregoing.

*Termination of the Exchange Fund*

None of BD, CareFusion, Merger Corp nor the exchange agent will be liable to any person with respect to any portion of the exchange fund or per share merger consideration that is delivered to any public official

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pursuant to any applicable abandoned property, escheat or similar laws. Furthermore, any portion of the merger consideration or the cash to be paid in accordance with the merger agreement that is unclaimed by former holders of certificates or book-entry shares representing shares of CareFusion common stock prior to such time as such amounts would otherwise escheat to or become property of any government authority will become the property of BD, as the surviving company, free and clear of any claims or interest of any other person or entity.

### *Withholding Rights*

BD, CareFusion, as the surviving company, and the exchange agent will each be entitled to deduct and withhold any amounts due under applicable tax laws from the amounts that would otherwise become payable under the terms of the merger agreement, and any such withheld amounts that are paid to the appropriate taxing authorities will be treated as having been paid to the person from whom such amounts were originally withheld.

## **Treatment of CareFusion Equity Awards**

### *Treatment of Stock Options*

Each CareFusion option that is outstanding immediately prior to the effective time, whether vested or unvested, (including any such option held by an executive officer or non-employee director) will be converted at the effective time into an option to purchase, on the same terms and conditions as were applicable to such CareFusion option immediately prior to the effective time, the number of shares of BD common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of CareFusion common stock subject to the CareFusion option by the stock award exchange ratio (as defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the CareFusion option by the stock award exchange ratio. The stock award exchange ratio is the sum of (i) the exchange ratio and (ii) the quotient of the cash consideration divided by BD's volume-weighted average stock price for the five trading days immediately preceding the closing date.

### *Treatment of Unvested Restricted Stock Units*

At the effective time, each CareFusion restricted stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such restricted stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion restricted stock unit immediately prior to the effective time, and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested restricted stock unit immediately prior to the effective time by (ii) the stock award exchange ratio. Restricted stock unit awards granted to officers of the Company on August 15, 2014 that have a performance condition relating to the Company's fiscal year will be treated as described in the previous sentence, and the applicable performance goal will be certified as achieved by the compensation committee prior to the time of closing.

### *Treatment of Unvested Performance Stock Units*

At the effective time, each CareFusion performance stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such performance stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion performance stock unit immediately prior to the effective time (except that the performance-based vesting conditions applicable to such unvested performance stock unit immediately prior to the

effective time shall not apply from and after the effective time), and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested performance stock unit award immediately prior to the effective time by (ii) the stock award exchange ratio. For this purpose, the number of shares of CareFusion common stock subject to each such unvested CareFusion performance stock unit shall be

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equal to the number of shares earned based on the level of achievement, as certified by the compensation committee prior to the time of closing, of the applicable performance condition measured through the end of CareFusion's most recently completed calendar quarter prior to the time of closing, but shall not be less than the target number of shares.

### *Treatment of Vested Restricted Stock Units and Performance Stock Units*

At the effective time, each CareFusion restricted stock unit and CareFusion performance stock unit that is outstanding immediately prior to the effective time and becomes vested by its terms at the effective time (including any such restricted stock unit held by a non-employee director and any such performance stock unit held by an executive officer), and each CareFusion restricted stock unit held by a non-employee director, settlement of which was elected to be deferred, shall be cancelled and converted into, with respect to each share of CareFusion common stock subject to such restricted stock unit or performance stock unit (provided, that, each such performance stock unit shall, in accordance with its terms, vest based on the greater of target performance and actual performance through the closing date, as certified by the compensation committee prior to the time of closing), the merger consideration on the same terms and conditions as other shares of CareFusion common stock, subject to applicable tax withholding, with such tax withholding to be withheld pro rata from the cash consideration and the stock consideration (with the stock consideration valued, for such purpose, based on the closing price of BD common stock on the closing date).

## **Representations and Warranties**

The merger agreement contains customary and, in certain cases, reciprocal, representations and warranties by CareFusion and BD that are subject, in some cases, to specified exceptions and qualifications contained in confidential disclosure schedules and are also qualified by certain documents filed by the parties with the SEC, excluding, in each case, any disclosures set forth in any risk factor section or in any such forms, statements, certifications, reports and documents that are cautionary, predictive or forward-looking in nature.

The reciprocal representations and warranties relate to, among other things:

organization, good standing and qualification to do business;

corporate authority and approval relating to the execution, delivery and performance of the merger agreement;

the absence of any need for action by governmental authorities other than actions in connection with filing the certificate of merger, compliance with antitrust and securities laws and applicable requirements of the NYSE;

the absence of any conflict with or violation or breach of organizational documents or any conflict with or violation of agreements, laws or regulations as a result of the execution, delivery and performance of the merger agreement and completion of the merger;

capital stock and indebtedness;

the filing or furnishing of all reports, forms, documents and financial statements required by the SEC;

financial statements;

information provided by a party for inclusion in disclosure documents to be filed with the SEC in connection with the merger;

the absence of undisclosed liabilities;

the absence of certain material changes or events in the respective businesses of each of CareFusion and BD;

compliance with applicable laws;



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knowledge of any investigations or litigation that would impair the ability of each of CareFusion and BD to perform its respective obligations under the merger agreement or to consummate the merger; and

broker's and finder's fees.

The merger agreement also contains additional representations and warranties by CareFusion relating to, among other things, the following:

subsidiaries organization, good standing and qualification to do business;

real estate owned and leased by CareFusion or its subsidiaries;

certain details surrounding CareFusion's and its subsidiaries' intellectual property;

certain details pertaining to CareFusion's and its subsidiaries' tax returns, filings and other tax matters;

certain details with respect to CareFusion's employee benefit plans;

the absence of lawsuits against CareFusion pertaining to environmental laws and CareFusion's compliance with such laws;

authorizations under healthcare laws and permits, status of and communications relating to certain recalls and compliance with the consent decree of the U.S. Food and Drug Administration applicable to CareFusion;

certain details pertaining to CareFusion's and its subsidiaries' significant contracts and agreements;

the receipt by the CareFusion board of directors of the opinion from its financial advisor as to the fairness from a financial point of view, as of the date of such opinion, of the consideration to be received by the holders of shares of CareFusion common stock pursuant to the merger;

the inapplicability of antitakeover statutes;

disclosure of CareFusion's significant customers and suppliers;

compliance with applicable anticorruption laws; and

the insurance plans maintained and used.

The merger agreement also contains additional representations and warranties by BD relating to, among other things, the following:

the delivery to CareFusion by BD of evidence of commitments to provide the debt financing required to consummate the transaction; and

the absence of a need for a vote of BD stockholders on the merger.

Some of the representations and warranties contained in the merger agreement are qualified by a materiality standard or by a material adverse effect standard.

A material adverse effect with respect to CareFusion or BD, as applicable, means any effect, change, condition, fact, development, occurrence or event that, individually or in the aggregate with all other effects, changes, conditions, facts, developments, occurrences or events, has had or would reasonably be expected to have a material adverse effect on the business, results of operations or financial condition of the party and its subsidiaries, taken as a whole, excluding any effect, change, condition, fact, development, occurrence or event resulting from or arising out of (A) changes in the financial, securities or credit markets or general economic, regulatory or political conditions in the United States or any foreign jurisdiction, except to the extent any such effect, change, condition, fact, development, occurrence or event has a materially disproportionate effect on the party and its subsidiaries, taken as a whole, relative to other participants in the industries in which the party operates, (B) changes or conditions generally affecting the industries, markets or geographical areas in which the party operates except to the extent any such effect, change, condition, fact, development, occurrence or event has

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a materially disproportionate effect on the party and its subsidiaries, taken as a whole, relative to other participants in the industries in which the party operates, (C) geopolitical conditions, the outbreak or escalation of hostilities, civil disobedience, acts of war, sabotage or terrorism or any escalation or worsening of the foregoing or any natural disasters (including hurricanes, tornadoes, floods or earthquakes) except to the extent any such effect, change, condition, fact, development, occurrence or event has a materially disproportionate effect on the party and its subsidiaries, taken as a whole, relative to other participants in the industries in which the party operates, (D) any failure by the party and its subsidiaries to meet any internal or published projections, forecasts or predictions in respect of financial or operating performance for any future period (it being understood that this clause (D) shall not prevent a party from asserting that any effect, change, condition, fact, development, occurrence or event that may have contributed to such failure and that is not otherwise excluded from the definition of material adverse effect may be taken into account in determining whether there has been a material adverse effect), (E) changes or proposed changes in law or authoritative interpretation thereof, except to the extent any such effect, change, condition, fact, development, occurrence or event has a materially disproportionate effect on the party and its subsidiaries, taken as a whole, relative to other participants in the industries in which the party operates, (F) changes in GAAP or authoritative interpretation thereof, (G) the taking of any specific action expressly required or expressly permitted by, or the failure to take any specific action expressly prohibited by the merger agreement, (H) any change in the market price or trading volume of the party's securities or in its credit ratings, (it being understood that this clause (H) will not prevent a party from asserting that any effect, change, condition, fact, development, occurrence or event that may have contributed to such failure and that is not otherwise excluded from the definition of material adverse effect may be taken into account in determining whether there has been a material adverse effect), (I) the execution, announcement or performance of the merger agreement or the transactions contemplated thereby, including the impact thereof on the relationships, contractual or otherwise, of the party or any of its subsidiaries with employees, labor unions, customers, suppliers or partners (except that the exception in this clause (I) will not apply to a party's absence of any conflict representation or warranty) and, (J) with respect to CareFusion only, any public disclosure by BD regarding its plans with respect to the conduct of CareFusion's business following the closing of the merger and any action or communication by BD with respect to or to CareFusion's employees.

**Conduct of Businesses of CareFusion and BD Prior to Completion of the Merger**

Pursuant to the terms of the merger agreement, each of CareFusion and BD agreed that, subject to certain exceptions or unless the other party approves in writing (such approval will not be unreasonably withheld, conditioned or delayed), between October 5, 2014 and the effective time, it will, and will cause each of its subsidiaries to use commercially reasonable efforts to:

conduct its business in the ordinary course consistent with past practice;

preserve intact its business organization; and

maintain generally its business relationships with its customers, lenders, suppliers and others having business relationships with it and with governmental authorities that have jurisdiction over its operations; and

Each of CareFusion and BD also agreed not to, and not to permit any of its subsidiaries to:

amend its certificate of incorporation or bylaws or those of any of its material subsidiaries; or

adopt or publicly propose a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution.

CareFusion also has agreed that, subject to certain exceptions or unless BD approves in writing (such approval, in certain specified cases not to be unreasonably withheld, conditioned or delayed), between October 5, 2014 and the completion of the merger, it will not, nor permit any of its subsidiaries to:

split, combine or reclassify any of its capital stock;

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declare, set aside or pay any dividend or other distribution on, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase or otherwise acquire, any shares of its capital stock, or any other securities or obligations convertible (whether (x) currently convertible or convertible only after the passage of time or the occurrence of certain events or (y) derivative of, or providing economic benefits based, directly or indirectly, on the value or price of, any shares of capital stock or other voting securities of or other ownership interests in CareFusion) into or exchangeable for any shares of its capital stock, which we refer to as CareFusion securities, (except (i) dividends or other distributions paid by any subsidiaries of CareFusion, (ii) the acceptance of shares of CareFusion common stock as payment for the exercise price of CareFusion options or (iii) required tax withholding in connection with the exercise of CareFusion stock options or the vesting or settlement of CareFusion stock awards outstanding as of October 5, 2014 or granted after October 5, 2014 in compliance with the merger agreement);

(i) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any CareFusion securities or CareFusion subsidiary securities, other than (x) the issuance of any shares of CareFusion common stock upon the exercise of CareFusion stock options or the settlement of CareFusion restricted stock units or CareFusion performance stock units outstanding on October 5, 2014 or that are issued or granted after October 5, 2014 in compliance with the terms of the merger agreement and (y) the issuance, delivery or sale of any shares of CareFusion subsidiary securities to CareFusion or its subsidiaries or (ii) amend any term of any CareFusion securities (in each case, whether by merger, consolidation or otherwise);

incur or commit to any capital expenditures, except for (i) those contemplated by CareFusion's fiscal 2015 budget and capital expenditure plan that were made available to BD prior to October 5, 2014, (ii) any other capital expenditures not to exceed (x) \$10 million in the aggregate during the period prior to July 1, 2015 and (y) \$25 million in the aggregate during the period from and after July 1, 2015 or (iii) in response to any emergency caused by war, terrorism, weather events, public health events, outages or otherwise;

acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, interests or businesses, in excess of \$50 million individually or \$100 million in the aggregate (except that no more than \$50 million of the aggregate consideration paid in respect of such acquisitions will consist of cash held in the United States by CareFusion and its subsidiaries), other than (i) supplies and materials in the ordinary course of business of CareFusion and its subsidiaries in a manner that is consistent with past practice, (ii) pursuant to significant contracts and agreements in effect on October 5, 2014 or (iii) assets, securities, properties, interests or businesses of CareFusion or any of its wholly owned subsidiaries (or, in the case of CareFusion, assets, securities, properties, interests or businesses of any of CareFusion's subsidiaries);

sell, license, lease or otherwise transfer, or abandon or create or incur any lien or encumbrance on, directly or indirectly, any of CareFusion's or its subsidiaries' assets, securities, properties, interests or businesses in excess of \$50 million in the aggregate, other than (i) sales of inventory or obsolete equipment in the ordinary course of business consistent with past practice, (ii) sales of assets, securities, properties, interests or business immaterial to CareFusion and its subsidiaries, (iii) sales, leases or transfers that are pursuant to significant contracts in effect on October 5, 2014, (iv) liens and encumbrances that have been permitted by BD, or (v) sales, licenses, leases or other transfers to, or liens or encumbrances in favor of, CareFusion or

any of its wholly owned subsidiaries;

other than as permitted by the merger agreement, make any loans, advances or capital contributions to, or investments in, any other person in excess of \$50 million in the aggregate, or form or acquire any subsidiary that is not wholly owned by CareFusion or any of its wholly owned subsidiaries, other than loans, advances or capital contributions to, or investments in, CareFusion or any of its wholly owned subsidiaries;

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create, incur or assume any indebtedness for borrowed money or guarantees thereof or issue or sell any debt securities in an amount in excess of \$50 million in the aggregate, except for (i) indebtedness under CareFusion's Amended and Restated Credit Agreement, dated February 13, 2014, which we refer to as the CareFusion credit facility, (ii) guarantees by CareFusion of indebtedness of any subsidiary (such indebtedness existing as of October 5, 2014), (iii) guarantees of indebtedness of CareFusion by any of its subsidiaries or (iv) indebtedness or guarantees between or among CareFusion and any of its subsidiaries;

enter into any agreement or arrangement that limits or restricts CareFusion or any of its subsidiaries from engaging or competing in any line of business or would purport to limit, after the effective time of the merger, BD or any of its subsidiaries in any material respect;

other than in the ordinary course of business or in a manner not material to CareFusion and its subsidiaries, taken as a whole, (i) amend, modify or terminate (excluding terminations or renewals upon expiration or in accordance with the terms thereof) any CareFusion significant contract or agreement or waive, release or assign any material rights, claims or benefits under any CareFusion significant contract or agreement or (ii) enter into any contract or agreement that would have been a CareFusion significant contract or agreement if such contract or agreement had it been entered into prior to October 5, 2014;

(i) recognize any new labor organization, union, employee association, trade union, works council or other similar employee representative, or (ii) negotiate, enter into, amend, modify or terminate any active collective bargaining agreement;

grant any equity or equity-based awards, subject to certain scheduled exceptions;

(i) grant or provide any severance or termination payments or benefits to any current or former employee, officer, non-employee director, independent contractor or consultant (including any obligation to gross-up, indemnify or otherwise reimburse any such individual for any tax incurred by any such individual, including under Section 409A or 4999 of the Internal Revenue Code of 1986, as amended, which we refer to as the code), (ii) accelerate the time of payment or vesting of, or the lapsing of restrictions with respect to, or fund or otherwise secure the payment of, any compensation or benefits to any current or former employee, officer, non-employee director, independent contractor or consultant, (iii) increase the compensation payable to any current or former employee, officer, non-employee director, independent contractor or consultant, other than increases in base salaries or hourly base wage rates, as applicable, to employees (other than CareFusion Section 16 officers) not in excess of 5% in the aggregate of any such individual's base salary as in effect on October 5, 2014, (iv) establish, adopt, terminate or amend any significant CareFusion compensation plan or any plan, program, arrangement, policy or agreement that would be have been significant if it were in existence on October 5, 2014, (v) hire any employee or engage any other individual to provide services, other than the hiring of employees with base pay not in excess of \$300,000 in the ordinary course of business consistent with past practice, (vi) terminate the employment of any current employee with a title of vice president or above or the engagement of any individual independent contractor other than for cause or for performance-related reasons or (vii) promote any employee to a position that reports directly to the CareFusion's chief executive officer;

waive, release, limit or condition any restrictive covenant obligation of any current or former employee or independent contractor;

change CareFusion's methods of financial accounting, except as required by concurrent changes in GAAP, or in Regulation S-X of the Exchange Act (or any interpretation thereof), any governmental authority or applicable law or regulation;

(i) make or change any election with respect to taxes, (ii) amend any tax return, or (iii) agree or settle any claim or assessment in respect of taxes, or (iv) agree to an extension or waiver of the limitation period for any claim or assessment in respect of taxes;



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enter into any interest rate swaps, foreign exchange or other similar hedging arrangements other than for purposes of offsetting a bona fide exposure (including counterparty risk); or

agree, resolve or commit to do any of the foregoing actions.

BD has also agreed that, subject to certain exceptions or unless CareFusion approves in writing (such approval not to be unreasonably withheld, conditioned or delayed), between October 5, 2014 and the completion of the merger, it will not:

(i) enter into agreements with respect to, or consummate, any mergers or business combinations, or any acquisition of any other person or business or (ii) make investments in any other person, in each case that would reasonably be expected to prevent, or materially impede or materially delay, the consummation of the merger;

authorize or pay any dividends on or make any distribution with respect to its outstanding shares, except (i) regular quarterly cash dividends at a rate not in excess of \$0.545 per share of BD common stock (subject to an increase consistent with past practice by BD's board of directors but limited to a maximum of \$0.654 per share), (ii) dividends and distributions paid or made on a pro rata basis by BD subsidiaries or (iii) by a BD subsidiary to BD or another BD subsidiary;

except as permitted in connection with the merger, issue, deliver or sell, or authorize the issuance, delivery or sale of a number of shares of BD common stock in excess of 20% of the number of shares of BD common stock outstanding as of October 5, 2014, other than the issuance of any shares of BD common stock upon the exercise of BD stock options or BD stock appreciation rights or the settlement of BD restricted stock units or performance stock units outstanding as of October 5, 2014 or that are issued or granted after October 5, 2014; or

agree, resolve or commit to do any of the foregoing actions.

**No Solicitation**

Except as expressly permitted by the merger agreement, CareFusion agreed that it will not, and CareFusion will not authorize or permit its subsidiaries, officers, directors or employees or any affiliate or representative retained by CareFusion or any of its subsidiaries to directly or indirectly:

solicit, initiate, knowingly encourage, or take any other action designed to facilitate, any inquiries regarding, or the making or submission of any inquiry, proposal or indication of interest or offer that constitutes, or would reasonably be expected to lead to, a company acquisition proposal (as defined below);

approve or recommend, or propose to approve or recommend, a company acquisition proposal;

approve or recommend, or propose to approve or recommend, or execute or enter into any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to a company acquisition proposal (other than a confidentiality agreement in connection with a company acquisition proposal) or a superior proposal (as defined below);

enter into, continue or otherwise participate in any discussions or negotiations regarding any company acquisition proposal; or

agree to do any of the foregoing actions.

Under the merger agreement, a company acquisition proposal means any proposal, indication of interest or offer from any person (other than BD and its subsidiaries or affiliates) relating to (i) any direct or indirect acquisition or purchase of the business or assets (including equity interests in subsidiaries) of CareFusion or any of its subsidiaries representing 15% or more of the consolidated revenues, net income or assets of CareFusion, (ii) any issuance, sale or other disposition, directly or indirectly, to any person of securities representing 15% or

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more of the total voting power of CareFusion, (iii) any tender offer or exchange offer that if consummated would result in any person, directly or indirectly, beneficially owning 15% or more of any class of equity securities of CareFusion, (iv) any merger, consolidation, amalgamation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, or similar transaction involving CareFusion or any of its subsidiaries that would result in any person, directly or indirectly, beneficially owning 15% or more of any class of equity securities of CareFusion or (v) any combination of the foregoing.

Under the merger agreement, a superior proposal means a bona fide written company acquisition proposal from any person (other than BD and its subsidiaries or affiliates) (with all references to 15% or more in the definition of company acquisition proposal being deemed to reference 50% or more ) which the CareFusion board of directors has, after consultation with CareFusion's financial advisors and outside legal counsel, determined in its good faith judgment would, if consummated, result in a transaction more favorable to its stockholders from a financial point of view than the transactions contemplated by the merger agreement after taking into account the likelihood and timing of consummation (as compared to the transactions contemplated by the merger agreement) and such other matters that the CareFusion board of directors deems relevant, including legal, financial (including the financing terms of any such company acquisition proposal), regulatory and other aspects of such company acquisition proposal.

*Existing Discussions or Negotiations and Required Notification of BD*

Under the terms of the merger agreement, CareFusion agreed to immediately cease any discussions or negotiations with any person that may have been ongoing with respect to a company acquisition proposal, and agrees to use its reasonable best efforts to have returned to it any confidential information that has been provided to any person in any such discussions or negotiations occurring in the six months prior to October 5, 2014.

In addition to the other obligations of CareFusion related to the no-solicitation covenant and described below, CareFusion agreed to promptly (and in any event within 24 hours) advise BD of any inquiries, proposals or offers with respect to a company acquisition proposal that are received by, or any non-public information with regard to such proposal is requested from, or any discussions or negotiations sought to be initiated regarding such proposal with, CareFusion or its representatives. Such notice must indicate the identity of the person making the inquiry, proposal or offer and the material terms and conditions of any such inquiries, proposals or offers (including, if applicable, copies of any written inquiries, proposals or offers, including proposed agreements). CareFusion agrees to keep BD reasonably informed, on a prompt basis (and, in any event, within 24 hours) of the status of any discussions or negotiations with respect to any such inquiries, proposals or offers and the details of any material changes to the status and material terms of any such inquiries, proposals or offers (including any material amendments, and including copies of any written inquiries, proposals or offers, including proposed agreements and modifications thereto).

If, prior to obtaining the CareFusion stockholder approval, following the receipt of a bona fide written company acquisition proposal that the CareFusion board of directors determines in good faith, after consultation with CareFusion's outside financial advisors and outside legal counsel, is or could reasonably be expected to lead to a superior proposal and that was unsolicited and made after October 5, 2014 in circumstances not otherwise involving a breach of the merger agreement, CareFusion may, in response to such company acquisition proposal, furnish information with respect to CareFusion to the person making such company acquisition proposal and engage in discussions or negotiations with such person, except that prior to furnishing any such nonpublic information relating to CareFusion, CareFusion enters into a confidentiality agreement with the person making the company acquisition proposal that (x) does not contain any provision that would prevent CareFusion from complying with its obligation to provide any disclosure to BD required pursuant to the merger agreement and (y) contains provisions that in the aggregate are no less restrictive on such person (including with respect to any standstill terms, except that such standstill terms need not restrict a person from making proposals to CareFusion or its board in respect of a company

acquisition proposal) than those contained in the confidentiality agreement between CareFusion and BD, and promptly (but in any event within 24 hours) following the furnishing of any such nonpublic information to such person, CareFusion furnishes such nonpublic information to BD (to the extent such nonpublic information has not been previously furnished to BD).

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**No Change in Recommendation or Entry into Alternative Acquisition Agreement**

Subject to certain exceptions described below, the CareFusion board of directors may not:

(1) withhold or withdraw (or modify or qualify in a manner adverse to BD) or propose publicly to withhold or withdraw (or modify or qualify in a manner adverse to BD), the CareFusion board of director s recommendation to the CareFusion stockholders to adopt the merger agreement, which we refer to as the CareFusion board recommendation, (2) fail to make the CareFusion board recommendation or fail to include the CareFusion board recommendation in the proxy statement/prospectus materials, (3) approve, recommend or otherwise declare advisable or propose to approve, recommend or determine to be advisable any company acquisition proposal, (4) after receipt of any company acquisition proposal, fail to publicly reaffirm the CareFusion board recommendation within ten (10) calendar days after BD requests a reaffirmation thereof in writing, (5) following the commencement of any tender offer or exchange offer that qualifies as a company acquisition proposal, publicly demonstrate neutrality or fail to reject or recommend against any such tender offer or exchange offer, within ten (10) business days of such tender offer or exchange offer, or (6) publicly announce an intention, or resolve, to take any of the foregoing actions (we refer to any action described in (1) or (6) as a company adverse recommendation change); or

cause or permit CareFusion or any of its subsidiaries to enter into any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to any company acquisition proposal (which we refer to as an alternative acquisition agreement).

*Fiduciary Exception*

However, at any time before the CareFusion stockholder approval is obtained, but not after it is obtained, CareFusion may, subject to the provisions described in the second succeeding paragraph, make a company adverse recommendation change and/or enter into an alternative acquisition agreement, as applicable, if (i) an unsolicited written company acquisition proposal is made by a third party, which CareFusion s board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, constitutes a superior offer; or an intervening event (as defined below) occurs; (ii) in the case of a company acquisition proposal, CareFusion s board of directors concludes in good faith, after consultation with CareFusion s outside legal counsel and outside financial advisors, that such company acquisition proposal constitutes a superior proposal; and (iii) CareFusion s board of directors concludes in good faith, after consultation with CareFusion s outside legal counsel, that the failure to make a company adverse recommendation change would be reasonably likely to be inconsistent with its fiduciary duties under applicable laws.

Under the merger agreement, an intervening event means any material event, occurrence or development that is (i) unknown to the CareFusion board of directors as of the date of the merger agreement, or if known to the CareFusion board of directors as of the date of the merger agreement, the material consequences of which were not known to the CareFusion board of directors as of the date of the merger agreement, and (ii) does not relate to (A) any company acquisition proposal or (B) any actions taken by BD or CareFusion in accordance with provisions of the merger agreement related to obtaining antitrust approvals or the consequences of any such action; provided, that in no event will any event, occurrence or development that has had, or would reasonably be expected to have, an adverse effect on BD or any of its subsidiaries constitute an intervening event unless such event, occurrence or development has had or would reasonably be expected to have a material adverse effect on BD.

Prior to making any company adverse recommendation change and/or authorization to enter into any alternative acquisition agreement, (A) CareFusion's board of directors must provide BD three (3) business days prior written notice of any intention to make such company adverse recommendation change and/or authorization to enter into any alternative acquisition agreement; (B) during the three (3) business days following the delivery of such written notice CareFusion must negotiate in good faith with BD regarding any revisions or changes to the merger agreement or the merger proposed by BD in response to the superior proposal or intervening event, as

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applicable; and (C) after the three (3) business days, CareFusion's board of directors determines in good faith, after consultation with financial advisors and outside legal counsel, that (x) the company acquisition proposal continues to be a superior proposal, or the intervening event continues to be an intervening event, warranting a company adverse recommendation change and (y) failure to make such company adverse recommendation change would be reasonably likely to be inconsistent with the CareFusion board of directors' fiduciary duties under applicable law.

In the event of any material change to any superior proposal and no later than 24 hours after such change, CareFusion must satisfy the notice requirement described above with a new written notice to BD and the negotiation requirements described above (except that the three (3) business day notice period will instead be the longer of two (2) business days and the period then remaining under the current notice period). Whether or not there is a company adverse recommendation change, unless the merger agreement is terminated, the CareFusion board of directors must submit the merger agreement for approval by the stockholders of CareFusion at the CareFusion stockholder meeting. In the event there is a company adverse recommendation change made in compliance with the merger agreement with respect to a superior proposal, CareFusion may only enter into an alternative acquisition agreement with respect to the superior proposal by concurrently terminating the merger agreement and paying BD the \$367 million termination fee. We refer to this termination right as the fiduciary termination right.

CareFusion is not prohibited from (i) taking and disclosing to the holders of shares of CareFusion common stock a position contemplated by Rule 14e-2(a) or Rule 14d-9 promulgated under the Exchange Act or (ii) making any disclosure to holders of shares of CareFusion common stock if CareFusion's board of directors determines in good faith, after consultation with outside counsel, that failing to make such disclosure would reasonably be likely to be inconsistent with its fiduciary duties under applicable law.

## **Stockholders Meeting**

CareFusion has agreed to call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining the CareFusion stockholder approval, which we refer to as the company stockholder meeting, as promptly as practicable after this registration statement on Form S-4 of which this proxy statement/prospectus forms a part is declared effective under the Securities Act of 1933, as amended. Except as described above, the CareFusion board of directors will recommend approval and adoption of the merger agreement and related transactions in the proxy statement/prospectus and CareFusion will use its reasonable best efforts to solicit from its stockholders proxies in favor of the adoption of the merger agreement.

CareFusion may adjourn or postpone the CareFusion special meeting, after consultation with BD, (A) to the extent required by applicable law, (B) for a single period not to exceed ten (10) business days if on the date of the scheduled company stockholders meeting CareFusion has not received the sufficient number of proxies necessary to approve the merger agreement, merger and actions related thereto. In addition, CareFusion may adjourn or postpone the CareFusion special meeting if there are insufficient shares of CareFusion common stock represented in person or by proxy to constitute a quorum at the special meeting. Unless it first obtains BD's written consent, CareFusion may not change the record date of the special meeting after establishing the record date of the special meeting.

## **Financing**

In connection with signing the merger agreement, BD obtained a debt commitment letter pursuant to which Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC, JPMorgan Chase Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., BNP Paribas, Citibank, N.A., Morgan Stanley Senior Funding, Inc., The Bank of New York Mellon, ING Bank N.V., Dublin Branch, Intesa Sanpaolo S.p.A., Mizuho Bank, Ltd., The Northern Trust Company, Standard Chartered Bank, Svenska Handelsbanken AB and Wells Fargo Bank, National Association agreed

to provide, under certain circumstances and subject to certain conditions, a \$9.10 billion



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senior unsecured bridge loan facility to finance the merger and the payment of certain fees and expenses. On November 14, 2014, BD entered into the bridge loan agreement on the terms and conditions described in the debt commitment letter relating to the bridge loan facility. Subsequent to entry into the bridge loan agreement, on November 26, 2014, BD obtained a debt commitment letter pursuant to which Goldman Sachs Bank USA, J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A., have agreed to provide a \$1.0 billion senior unsecured term loan facility, such debt commitment letter constituting a debt commitment letter for purposes of the merger agreement. On December 15, 2014, BD issued \$6.2 billion aggregate principal amount of senior unsecured notes consisting of five tranches in an underwritten public offering. For additional information about this debt financing, see *The Merger Financing of the Merger* on page 82.

BD has agreed in the merger agreement to use its reasonable best efforts to obtain the debt financing on the terms and conditions described in the debt commitment letters. CareFusion has agreed in the merger agreement to, to cause its subsidiaries to, and to use reasonable best efforts to cause its and their representatives to, cooperate with BD in connection with the financing for the merger. CareFusion has also agreed to take certain actions with respect to its existing credit facility in connection with the merger.

## **Access to Information**

Subject to certain exceptions, prior to the effective time of the merger and upon reasonable notice, CareFusion and its subsidiaries will afford BD, its affiliates and representatives reasonable access during normal business hours to all of CareFusion's and its subsidiaries' properties, contracts, books, records, officers, employees and other information as may reasonably be requested by BD.

## **Expenses**

Except as otherwise provided in the merger agreement, whether or not the merger is consummated, all costs and expenses incurred in connection with the merger agreement will be paid by the party incurring such expenses; provided, however, that BD and CareFusion will each pay one-half of all filing fees and printing and mailing costs for this registration statement on Form S-4 of which this proxy statement/prospectus forms a part.

## **Employee Matters**

BD will provide (or will cause to be provided) to each employee of CareFusion and its subsidiaries who continues to be employed by BD or its subsidiaries immediately following the effective time of the merger (hereinafter referred to as continuing employees) with: (i) during the period beginning at the effective time of the merger and ending on December 31, 2016 (or, if earlier, the date of the continuing employee's termination of employment), base pay that is at least equal to the base pay provided to each continuing employee immediately prior to the closing; (ii) with respect to commission and cash bonus opportunities, as applicable, (A) during the period beginning at the effective time of the merger and ending on June 30, 2015 (or, if earlier, the date of the continuing employee's termination of employment), opportunities that are no less favorable than the opportunities provided to each continuing employee immediately prior to the closing and (B) with respect to performance periods from and after July 1, 2015 and ending on December 31, 2016 (or, if earlier, the date of the continuing employee's termination of employment), opportunities that are no less favorable than the opportunities provided to similarly situated employees of BD and its subsidiaries; (iii) during the period beginning at the effective time of the merger and ending on December 31, 2016 (or, if earlier, the date of the continuing employee's termination of employment), long-term incentive opportunities that are no less favorable than the opportunities provided to similarly situated employees of BD and its subsidiaries; and (iv) during the period beginning at the effective time of the merger and ending on December 31, 2016 (or, if earlier, the date of the continuing employee's termination of employment), employee benefits that are substantially comparable in the

aggregate to the employee benefits provided to each such continuing employee immediately prior to the closing.

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BD and CareFusion have agreed that the cash bonus incentives payable under the CareFusion Management Incentive Plan and Employee Bonus Plan in respect of the fiscal year ending June 30, 2015 will be paid based on (x) actual performance (determined in the ordinary course consistent with past practice) for the portion of such fiscal year preceding the effective time and (y) assumed achievement of performance at budgeted levels for the portion of such fiscal year following the effective time, in each case, as determined by the compensation committee prior to the effective time without regard to any costs and expenses associated with the merger or any non-recurring charges that would not reasonably be expected to have been incurred had the merger not arose. Such bonuses will be payable on a prorated basis for employees who are terminated prior to June 30, 2015 under severance qualifying terminations, with proration based on the period from July 1, 2014 through the date of termination. BD and CareFusion have agreed to the establishment of a \$25 million cash retention program for CareFusion employees, \$5 million of which is to be allocated in the discretion of CareFusion's Chief Executive Officer and \$20 million of which is to be allocated by mutual agreement of the Chief Executive Officers of BD and CareFusion.

During the period beginning at the effective time of the merger and ending on December 31, 2015, BD will continue to maintain CareFusion's severance policies and plans applicable to continuing employees immediately prior to the effective time of the merger and will provide to each continuing employee whose employment is terminated without cause or under such other circumstances as would entitle a participant to severance under the applicable CareFusion severance plan with the severance benefits specified in such plan.

To the extent continuing employees become eligible to participate in any employee benefit plan maintained by BD or its subsidiaries following the effective time of the merger, the continuing employees' service with CareFusion or any of its subsidiaries prior to the effective time of the merger will be treated as service with BD or its subsidiaries for purposes of eligibility to participate, vesting and benefit accrual, subject to customary exceptions.

Further, BD will use reasonable best efforts to waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements under any BD welfare benefit plan in which the continuing employees may be eligible to participate after the effective time of the merger and provide each continuing employee with credit for any co-payments and deductibles paid during the plan year in which the effective time of the merger occurs in satisfying any applicable deductible or out-of-pocket requirements under any BD welfare benefit plan in which the continuing employees may be eligible to participate after the effective time of the merger.

## **Indemnification and Insurance**

For a period of no less than six (6) years after the effective time of the merger, BD will indemnify and hold harmless each present and former director and officer of CareFusion or any of its subsidiaries (whom we refer to as CareFusion directors or officers), and each person who served as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise (which when taken together with CareFusion directors and officers, we refer to as a company indemnified party) if such service was at the request or for the benefit of CareFusion or any of its subsidiaries, against any costs or expenses (including advancing attorneys' fees and expenses in advance of the final disposition of any claim, suit, proceeding or investigation to each company indemnified party), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (which we refer to as indemnified actions) arising out of or pertaining to the fact that the company indemnified party is or was a CareFusion director or officer or was serving at the request of CareFusion or any of its subsidiaries as a director or officer of another person, whether asserted or claimed prior to, at or after the effective time of the merger.

BD is only required to indemnify and hold harmless, or advance expenses to, a company indemnified party if such party was entitled to indemnification as of October 5, 2014 by CareFusion or any of its subsidiaries

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pursuant to: (i) exculpation and advancement of expenses provisions of the organizational documents of CareFusion or its subsidiaries or (ii) any indemnification agreement between CareFusion or any of its subsidiaries and such company indemnified party.

The merger agreement requires BD to cause CareFusion, as the surviving company, to maintain for a period of six (6) years after the the effective time of the merger, CareFusion s existing directors and officers liability insurance policy, or policies with a comparable insurance of at least the same coverage and amounts containing terms and conditions which are no less advantageous to the insured, from a carrier with comparable or better credit ratings to CareFusion s existing directors and officers insurance policies, in each case, with coverage for the persons who are covered by the CareFusion s existing directors and officers insurance, with terms, conditions, retentions and levels of coverage at least as favorable to the insured individuals as CareFusion s existing directors and officers insurance with respect to matters existing or occurring at or prior to the effective time of the merger. However, the surviving company is not required to make annual premium payments for such insurance in excess of a specified amount. In lieu of the foregoing, CareFusion, at its option, may obtain prior to the effective time of the merger a prepaid tail policy for a period of no more than six (6) years providing equivalent coverage to that described in the second preceding sentence for an aggregate price not to exceed a specified amount.

## **Certain Additional Covenants**

The merger agreement also contains additional covenants, including, among others, covenants relating to the filing of this proxy statement/prospectus, covenants relating to regulatory filings and approvals (which are described under the section entitled The Merger Regulatory Approvals beginning on page 83), the listing of shares of BD common stock to be issued in the merger, reporting requirements under Section 16 of the Exchange Act, coordination with respect to litigation relating to the merger and public announcements with respect to the transactions contemplated by the merger agreement.

## **Conditions to Completion of the Merger**

The respective obligations of each of CareFusion, BD and Merger Corp to complete the merger are subject to the fulfillment or waiver (to the extent permitted under applicable law), at or prior to the closing of the merger, of the following conditions:

the CareFusion stockholder approval must have been obtained;

the shares of BD common stock to be issued in the merger must have been approved for listing on the NYSE, subject to official notice of issuance;

no law order, writ, injunction, decree, consent decree, judgment, award, injunction, settlement or stipulation may have been promulgated, entered, enforced, enacted or issued, as applicable, by any governmental authority that prohibits, restrains or makes illegal the consummation of the merger or CareFusion s issuance of common stock in connection with the merger;

this registration statement on Form S-4 of which this proxy statement/prospectus forms a part must have been declared effective by the SEC under the Securities Act of 1933, as amended, and no stop order suspending the effectiveness of this Form S-4 is in effect and no proceedings for that purpose are pending; and

all waiting periods applicable to the merger under the HSR Act (this condition was satisfied, with respect to the HSR Act, on November 19, 2014) and review periods applicable under the EUMR must have expired or been terminated.

The obligations of CareFusion to effect the merger also are subject to the fulfillment or waiver by CareFusion at or prior to the effective time of certain conditions, including the following:

BD and Merger Corp must have performed and complied in all material respects with all covenants required by the merger agreement to be performed or complied with by them prior to the effective time;

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the representations and warranties of BD must be true and correct at and as of October 5, 2014 and at and as of the closing date as though made at and as of the closing date (except for any such representations and warranties made as of a particular date or period, which representations and warranties must be true and correct only as of that date or period), subject to the materiality standards provided in the merger agreement; and

BD must have delivered to CareFusion a certificate, dated as of the closing date and signed by an executive officer, certifying to the effect that the preceding two (2) conditions have been met.

The obligations of BD and Merger Corp to effect the merger are also subject to the satisfaction or waiver by BD at or prior to the effective time of the following additional conditions:

CareFusion must have performed and complied in all material respects with all covenants required by the merger agreement to be performed or complied with by it prior to the effective time;

the representations and warranties of CareFusion must be true and correct at and as of October 5, 2014 and at and as of the closing date as though made at and as of the closing date (except for any such representations and warranties made as of a particular date or period, which representations and warranties must be true and correct only as of that date or period), subject to the materiality standards provided in the merger agreement; and

CareFusion must have delivered to BD a certificate, dated as of the closing date and signed by an executive officer of CareFusion, certifying to the effect that the preceding two (2) conditions have been met.

**Termination of the Merger Agreement**

*Termination*

The merger agreement may be terminated and abandoned at any time prior to the effective time, whether before or after any approval of the merger by the holders of CareFusion common stock:

by mutual written consent of CareFusion and BD;

by either CareFusion or BD if the merger has not been consummated on or prior to July 5, 2015, which we refer to as the end date, provided that if all of the conditions to closing, other than those pertaining to waiting periods under the HSR Act and competition decisions and approvals of the European Commission under the EUMR have been satisfied or are capable of being satisfied at such time, the end date may be extended by either CareFusion or BD to October 5, 2015, except that the right to terminate the merger agreement according to this specific provision will not be available to a party if the failure of the condition pertaining to waiting periods under the HSR Act and competition decisions and approvals of the European Commission under the EUMR to have been satisfied was due to the failure of such party to perform any of its obligations under the merger agreement; the waiting period under the HSR Act expired on November 19, 2014,

satisfying the HSR Act waiting period condition; we refer to this termination right as the outside date termination right;

by either CareFusion or BD, if an order by a governmental authority of competent jurisdiction has been issued permanently restraining, enjoining or otherwise prohibiting the completion of the merger or the issuance of BD common stock to be used as merger consideration and such order has become final and nonappealable, except that the right to terminate the merger agreement according to this specific provision will not be available to a party if such order was due to the failure of such party to perform any of its obligations under the merger agreement;

by either CareFusion or BD, if any law has been enacted or is applicable to the merger or the issuance of BD common stock to be used as merger consideration by any governmental authority that prohibits,



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prevents or makes illegal the consummation of the merger or the issuance of BD common stock to be used as merger consideration;

by either CareFusion or BD, if the CareFusion stockholders meeting has concluded and the CareFusion stockholder approval has not been obtained;

by either CareFusion or BD if the other party has materially breached or failed to perform any representations, warranties, covenants or agreements contained in the merger agreement and such breach or failure (i) would result in the failure of specified conditions to closing and (ii) is not curable or is not cured by the earlier of the end date and the date that is thirty calendar days following written notice from the other party, except that if such breach or failure to perform is capable of being cured by the end date, such thirty (30) calendar day period is extended until the second business day prior to the end date solely to the extent the breaching party is using its reasonable best efforts to cure such breach or failure to perform, and also except that the terminating party may not exercise this termination right if it is in material breach of any representation, warranty, covenant or agreement contained in the merger agreement;

by BD, if, prior to the receipt of the CareFusion stockholder approval, a company adverse recommendation change occurred, or

by CareFusion, in accordance with the provisions regarding its fiduciary termination right in connection with a superior proposal.

*Termination Fee*

CareFusion will pay BD 50 percent of the amount of BD's out-of-pocket expenses incurred in connection with the merger agreement and the merger if the merger agreement is terminated, or at the time of termination, could have been terminated, by either party because the CareFusion stockholders meeting (as it may be adjourned or postponed) concludes without the CareFusion stockholder approval being obtained and the termination fee (described in the paragraph below) is not otherwise payable to BD.

CareFusion will pay BD a termination fee of \$367 million (less expense reimbursement payment, if any) if the merger agreement is terminated, or at the time of termination, could have been terminated, in the following circumstances:

in the event the merger agreement is terminated by CareFusion in accordance with the provisions regarding its fiduciary termination right in connection with a superior proposal; or

in the event the merger agreement is terminated by BD, if, prior to the receipt of the CareFusion stockholder approval, a company adverse recommendation change occurred.

Also, in the event that the merger agreement is terminated (a) or at the time of termination, could have been terminated, by CareFusion or BD because the CareFusion stockholders meeting has concluded and the CareFusion stockholder approval has not been obtained, or (b) (i) by BD because of CareFusion's material breach or failure to perform any of its covenants or agreements in the merger agreement which breach or failure to perform would give

rise to a failure of a condition and such breach or failure to perform is incapable of being cured by CareFusion by the end date or if capable of being cured was not cured within a specified time period or (ii) by CareFusion or BD pursuant to the outside date termination right (if at such time BD could have terminated the merger agreement because of CareFusion's material breach or failure to perform any of its covenants or agreements in the merger agreement which breach or failure to perform would give rise to a failure of a condition and such breach or failure to perform is incapable of being cured by CareFusion by the end date or if capable of being cured was not cured within a specified time period), and

at any time after October 5, 2014 and (A) prior to such termination (x) a company acquisition proposal was communicated to the CareFusion board of directors (whether or not publicly announced or

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publicly made known) and was not withdrawn and (y) CareFusion breached or failed to perform any of its representations, warranties, covenants or agreements under the merger agreement in a manner that would give rise to the failure of a condition under the merger agreement, (B) prior to the applicable Company breach, a company acquisition proposal was communicated to the CareFusion board of directors (whether or not publicly announced or publicly made known) and was not withdrawn, or (C) prior to the taking of a vote to adopt the merger agreement at a CareFusion stockholders meeting (in the case of a termination because the CareFusion stockholders meeting concluded without the CareFusion stockholder approval being obtained) a company acquisition proposal was publicly announced or publicly made known and not withdrawn, and

within nine months after such termination, CareFusion enters into an agreement with respect to any company acquisition proposal, or any company acquisition proposal is consummated (in each case, whether or not such company acquisition proposal is the same as the original company acquisition proposal made, communicated, publicly made known or publicly announced),

then, in any such event, CareFusion will pay to BD the termination fee on the earlier to occur of CareFusion entering into an agreement with respect to such company acquisition proposal or the consummation of such company acquisition proposal; except that for purposes of the definition of company acquisition proposal for this termination fee trigger, references to 15% shall be replaced by 50%.

In no event will the termination fee be payable more than once.

## **Amendment and Modification**

Any provision of the merger agreement may be amended, supplemented or waived only if such amendment, supplement or waiver is in writing and signed by CareFusion, BD and Merger Corp. However, after the receipt of the CareFusion stockholder approval, if any such amendment or waiver will require further approval of the holders of CareFusion common stock, the effectiveness of such amendment or waiver will be subject to such further approval. Certain amendments or waivers will require obtaining the prior written consent of third party financiers of the merger.

## **Jurisdiction; Specific Enforcement**

Each of CareFusion, BD and Merger Corp agree that irreparable damage would occur in the event that any of the provisions of the merger agreement are not performed, and that money damages would not be an adequate remedy in such a situation. Accordingly and subject to certain limitations, each of CareFusion, BD and Merger Corp agree that, in addition to any other remedy available, including monetary damages, each of the parties will be entitled to an injunction or injunctions to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement in the Court of Chancery of the State of Delaware or, if under applicable law exclusive jurisdiction over the matter at issue is vested in the federal courts of the United States, any federal court located in the State of Delaware. Each of CareFusion, BD and Merger Corp (i) irrevocably waives any requirement for the securing or posting of any bond in connection with such injunctions, (ii) consents to the personal jurisdiction of the Court of Chancery of the State of Delaware and any federal court located in the State of Delaware, (iii) agrees not to assert as a defense, counterclaim or otherwise, any claim that such party (or its property, if applicable) is not personally subject to the jurisdiction of the above named courts and (iv) agrees that it will not bring any action or claim related to the merger agreement in any court other than those courts mentioned above.



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**ADJOURNMENT OF THE SPECIAL MEETING TO SOLICIT ADDITIONAL PROXIES**

CareFusion stockholders are being asked to grant authority to proxy holders to vote in favor of one or more adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If this proposal is approved, the special meeting could be successively adjourned to any date. In accordance with the CareFusion bylaws, a vote on adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement may be taken in the absence of a quorum. CareFusion does not intend to call a vote on adjournment of the special meeting to solicit additional proxies if the adoption of the merger agreement is approved at the special meeting.

The approval of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present. If your shares of CareFusion common stock are present at the special meeting but are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote **AGAINST** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. If you fail to submit a proxy and fail to attend the special meeting or if your shares of CareFusion common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock, your shares of CareFusion common stock will not be voted, but this will not have an effect on the vote to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

The CareFusion board of directors unanimously recommends that you vote **FOR** adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

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**INTERESTS OF CAREFUSION'S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER**

**In considering the recommendation of the CareFusion board of directors that you vote to adopt the merger agreement, you should be aware that CareFusion's executive officers and non-employee directors have economic interests in the merger that are different from, or in addition to, those of CareFusion's stockholders generally. The CareFusion board of directors was aware of and considered those interests, among other matters, in reaching its decisions to (i) approve the merger and the other transactions contemplated thereby, (ii) adopt, approve and declare advisable the merger agreement, and (iii) resolve to recommend the adoption of the merger agreement to CareFusion stockholders. The transactions contemplated by the Merger Agreement will be a change in control for purposes of the CareFusion executive compensation and benefit plans described below.**

**Certain Assumptions**

Except as otherwise specifically noted, for purposes of quantifying the potential payments and benefits described in this section, the following assumptions, as well as those described in the footnotes to the table under the heading **Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger** below, were used:

The relevant price per share of CareFusion common stock is \$57.22, which is the average closing price per share of CareFusion's common stock as quoted on the NYSE over the first five business days following the first public announcement of the merger on October 5, 2014;

The effective time is November 30, 2014, which is the assumed date of the closing of the merger solely for purposes of the disclosure in this section; and

Each executive officer of CareFusion was terminated by CareFusion without cause or resigned for good reason (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of November 30, 2014.

**Executive Change in Control Severance Plan**

CareFusion maintains the Executive Change in Control Severance Plan, as amended and restated effective July 1, 2012 (the **CIC Plan**), which was further amended and restated effective October 5, 2014 as described below (the **Amended CIC Plan**). For purposes of the disclosure in this section, we refer to the CIC Plan and the Amended CIC Plan as the **Plan** and note the additional payment that is available to the one eligible executive officer (our Controller and Chief Accounting Officer ( **controller** )) under the Amended CIC Plan.

*Amendments to the CIC Plan.* The amendments to the CIC Plan made on October 5, 2014 include: (1) changing the definition of **change in control** to raise the threshold for a change in control from 25% to 50% with respect to certain triggering transactions; (2) changing the definition of **good reason** to clarify the factors relevant to a material diminution in a participant's authority, duties or responsibilities and to eliminate the triggering events relating to a material diminution of a supervisor's authority and a material decrease in the budget over which the participant has authority, as well as changes to the notice and cure provisions; (3) providing that participants with the position of senior vice president or vice president (but not any executive officers of CareFusion other than our controller) will be

eligible to receive upon a qualifying termination following a change in control a cash payment in respect of the grant date value of historic annual long-term incentive awards, prorated based on the number of months (not to exceed six) worked during the fiscal year in which the participant's termination of employment occurs; (4) providing that if a payment under the Plan is required to be delayed by six months to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), such delayed payment and interest will be funded through a rabbi trust prior to separation of employment; and (5) technical and administrative revisions to the tax provisions in the Plan. These amendments apply to our executive officers, including our named executive officers, since each has

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signed a new participation agreement under the Amended CIC Plan; however, the pro-rated long-term cash incentive payment is only available to one executive officer, our controller. In addition, as participants in the Amended CIC Plan, the good reason definition under the Amended CIC Plan will apply to the previously granted CareFusion equity awards held by our executive officers, including our named executive officers.

*Payments and Benefits.* Each CareFusion executive officer will be eligible for benefits under the Plan in connection with a qualifying termination of employment following the effective time subject to the execution of a general release of claims in favor of CareFusion. Under the Plan, upon a termination by CareFusion without cause or a resignation by the executive officer for good reason within 24 months following the effective time, each executive officer will receive (i) cash severance equal to two times (or one and a half times, in the case of our controller) the sum of (x) the executive officer's base salary as in effect as of the date of termination of employment and (y) the executive officer's target bonus under the Management Incentive Plan ( MIP ) for the fiscal year in which the termination of employment occurs, (ii) a prorated annual bonus payment equal to the executive officer's target bonus under the MIP for the fiscal year in which the termination of employment occurs, prorated based on the number of whole and partial months (rounded up) from the date of termination of employment through the end of such fiscal year, (iii) employer-paid medical continuation coverage for up to 36 months (for the CEO) or 24 months (for all other executive officers) following the termination date, and (iv) payment for outplacement services for up to 12 months following the termination date. In addition, our controller has signed a participation agreement with respect to the Amended CIC Plan and therefore, upon a qualifying termination as described above, he will also be entitled to receive a cash payment equal to the highest grant date dollar value of any annual long-term incentive award granted to him in the fiscal year in which the effective time occurs and the two preceding fiscal years, prorated based on the number (not to exceed six) of whole and partial months (rounded up) from the beginning of the fiscal year until the termination date.

The Plan provides that if the payments and benefits to an executive officer in connection with the merger would be subject to an excise tax by reason of Sections 4999 and 280G of the Internal Revenue Code, the benefits and payments under the Plan will be reduced to the extent necessary to prevent any portion of the executive officer's merger-related payments and benefits from becoming subject to such excise tax, but only if, by reason of that reduction, the net after-tax benefit received by the executive officer exceeds the net after-tax benefit the executive would receive if no reduction was made. In consultation with BD, CareFusion has entered into agreements with two executive officers who are not named executive officers that provide for the payment in 2014 of certain amounts that would otherwise become payable in 2015 in connection with the consummation of the merger, to mitigate adverse tax consequences on the executive under Sections 280G and 4999 of the Code. The payment is being accelerated subject to the executive's obligation to repay such amounts to CareFusion in the event the merger is not consummated or the executive would not have otherwise become entitled to such payments.

The Plan contains covenants in favor of CareFusion, including with respect to confidentiality and non-disparagement provisions, a covenant to provide future assistance to CareFusion regarding certain matters, and non-compete and employee and customer non-solicit covenants that apply for specified periods following termination of employment.

See the section entitled Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger beginning on page 111 of this proxy statement/prospectus for the estimated amounts that each of CareFusion's named executive officers would receive under the CIC Plan or the Amended CIC Plan (as applicable) upon a qualifying termination of employment. Based on the assumptions described above under Certain Assumptions and the additional assumptions used for purposes of estimating amounts for named executive officers, the estimated aggregate amount of the payments and benefits to be provided to CareFusion's three executive officers who are not named executive officers under the CIC Plan or the Amended CIC Plan, as applicable, upon a qualifying termination of employment is \$4,337,912.





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**Table of Contents****Equity Compensation***Treatment of Stock Options*

Each CareFusion option that is outstanding immediately prior to the effective time, whether vested or unvested, (including any such option held by an executive officer or non-employee director) will be converted at the effective time into an option to purchase, on the same terms and conditions as were applicable to such CareFusion option immediately prior to the effective time, the number of shares of BD common stock (rounded down to the nearest whole share) determined by multiplying the number of shares of CareFusion common stock subject to the CareFusion option by the stock award exchange ratio (as defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the CareFusion option by the stock award exchange ratio. The stock award exchange ratio is the sum of (i) the exchange ratio and (ii) the quotient of the cash consideration divided by BD's volume-weighted average stock price for the five trading days immediately preceding the closing date.

*Treatment of Unvested Restricted Stock Units*

At the effective time, each CareFusion restricted stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such restricted stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion restricted stock unit immediately prior to the effective time, and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested restricted stock unit immediately prior to the effective time by (ii) the stock award exchange ratio. Restricted stock unit awards granted to officers of CareFusion on August 15, 2014 that have a performance condition relating to CareFusion's fiscal year will be treated as described in the previous sentence, and the applicable performance goal will be certified as achieved by the compensation committee prior to the time of closing.

*Treatment of Unvested Performance Stock Units*

At the effective time, each CareFusion performance stock unit that is outstanding and unvested immediately prior to the effective time and does not vest by its terms at the effective time (including any such performance stock unit held by an executive officer) will be converted into a BD restricted stock unit, with the same terms and conditions as were applicable under such unvested CareFusion performance stock unit immediately prior to the effective time (except that the performance-based vesting conditions applicable to such unvested performance stock unit immediately prior to the effective time shall not apply from and after the effective time), and relating to the number of shares of BD common stock (rounded to the nearest whole share), determined by multiplying (i) the number of shares of CareFusion common stock subject to such unvested performance stock unit award immediately prior to the effective time by (ii) the stock award exchange ratio. For this purpose, the number of shares of CareFusion common stock subject to each such unvested CareFusion performance stock unit shall be equal to the number of shares earned based on the level of achievement, as certified by the compensation committee prior to the time of closing, of the applicable performance condition measured through the end of CareFusion's most recently completed calendar quarter prior to the time of closing, but shall not be less than the target number of shares.

*Treatment of Vested Restricted Stock Units and Performance Stock Units*

At the effective time, each CareFusion restricted stock unit and CareFusion performance stock unit that is outstanding immediately prior to the effective time and becomes vested by its terms at the effective time (including any such

restricted stock unit held by a non-employee director and any such performance stock unit held by an executive officer), and each CareFusion restricted stock unit held by a non-employee director, settlement of which was elected to be deferred, shall be cancelled and converted into, with respect to each share of CareFusion common stock subject to such restricted stock unit or performance stock unit (provided, that, each such performance stock unit shall, in accordance with its terms, vest based on the greater of target performance and actual performance through the closing date, as certified by the compensation committee prior to the time of

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closing), the merger consideration on the same terms and conditions as other shares of CareFusion common stock, subject to applicable tax withholding, with such tax withholding to be withheld pro rata from the cash consideration and the stock consideration (with the stock consideration valued, for such purpose, based on the closing price of BD common stock on the closing date). Pursuant to its non-employee director compensation program, CareFusion granted annual equity awards to its non-employee directors on the date of CareFusion's 2014 Annual Meeting of Stockholders in the form of restricted stock units with a grant date fair value of \$165,000 per non-employee director that vest in full on the earlier to occur of the first anniversary of the date of grant and the occurrence of a change in control; these awards would become vested at the effective time.

*Treatment of Equity Awards upon Termination of Employment Following the Merger*

At the effective time, the outstanding CareFusion options, unvested CareFusion restricted stock units and unvested CareFusion performance stock units held by CareFusion's executive officers that convert into equity awards with respect to BD common stock in the manner described above will remain subject to the same service-based vesting conditions. Pursuant to the original terms of these awards, if an executive officer's employment is terminated by CareFusion without cause or by the executive officer under circumstances which would constitute good reason within two years following the effective time, outstanding converted equity awards would fully vest upon such termination and each outstanding converted option would remain outstanding and exercisable until the earlier of (a) one or three years (depending on the terms of the award) following such termination of employment (or such longer period as is applicable under the award agreement for any executive officer who is retirement eligible as of the date of termination) and (b) the expiration of its term. In general, for purposes of the converted equity awards, cause and good reason have the meanings applicable to the executive officers under the Plan.

See the section entitled Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger beginning on page 111 of this proxy statement/prospectus for an estimate of the amounts that would become payable to each of CareFusion's named executive officers in respect of their unvested equity awards. Based on the assumptions described above under Certain Assumptions and the additional assumptions used for purposes of estimating amounts for named executive officers, (i) the estimated aggregate amounts that would become payable to CareFusion's three executive officers who are not named executive officers in respect of their unvested equity awards is as follows: unvested CareFusion options \$2,373,643; unvested CareFusion restricted stock units \$1,628,538; unvested CareFusion performance stock units that do not vest at the effective time \$664,839; and unvested CareFusion performance stock units that vest at the effective time \$714,106 and (ii) the estimated aggregate amount that would become payable to CareFusion's non-employee directors in respect of their unvested CareFusion restricted stock units granted on the date of the 2014 Annual Meeting of Stockholders is \$1,315,602. For more information on equity holdings of CareFusion non-employee directors and executive officers, see the table entitled Certain Beneficial Owners of CareFusion Common Stock on page 137 of this proxy statement/prospectus.

**Fiscal Year 2015 Cash Bonus Awards**

As described under the The Merger Agreement Employee Matters, CareFusion and BD have agreed that the cash bonus incentives under the CareFusion MIP in respect of the fiscal year ending June 30, 2015 will be payable on a prorated basis for employees, including our executive officers, who are terminated prior to June 30, 2015 under severance qualifying terminations, based in part on CareFusion's actual performance and in part based on targeted performance, prorated based on the period from July 1, 2014 through the date of termination. As actual CareFusion performance is not known at this time, we cannot determine the amount if any that an executive officer will be entitled to receive under the MIP for the 2015 fiscal year.

See the section entitled "Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger" beginning on page 111 of this proxy statement/prospectus for an estimate of the prorated fiscal year 2015 bonus amounts under the MIP that would become payable with respect to each named executive officer. Based on the assumptions described above under "Certain

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Assumptions and the additional assumptions used for purposes of estimating amounts for named executive officers, the estimated aggregate prorated fiscal year 2015 bonus amount that would become payable to CareFusion's three executive officers who are not named executive officers under the MIP is \$229,830.

## **Indemnification and Insurance**

Pursuant to the terms of the merger agreement, CareFusion non-employee directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies following the merger. Such indemnification and insurance coverage is further described in the section entitled "The Merger Agreement Indemnification and Insurance" beginning on page 101 of this proxy statement/prospectus.

## **New Arrangements with BD**

Prior to and from time to time since execution of the merger agreement, BD has engaged, and it expects to continue to engage, in discussions with certain of CareFusion's executive officers about potential roles with the combined company after the consummation of the merger. There is at this time no assurance that those discussions will result in any additional agreements with BD or, if so, what the terms and conditions of any such agreements would be.

## **Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger**

The information set forth in the table below is intended to comply with Item 402(t) of the SEC's Regulation S-K, which requires disclosure of information about certain compensation for each named executive officer of CareFusion that is based on, or otherwise relates to, the merger (merger-related compensation). For additional details regarding the terms of the payments and benefits described below, see the discussion under the caption "Interests of CareFusion's Directors and Executive Officers in the Merger" above.

The amounts shown in the table below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described below and in the footnotes to the table, and do not reflect certain compensation actions that may occur before completion of the merger. For purposes of calculating such amounts, in addition to the assumptions described in the footnotes to the table below, the following assumptions were used:

The relevant price per share of CareFusion common stock is \$57.22, which is the average closing price per share of CareFusion's common stock as quoted on the NYSE over the first five business days following the first public announcement of the merger on October 5, 2014;

The effective time is November 30, 2014, which is the assumed date of the closing of the merger solely for purposes of this merger-related compensation disclosure; and

Each named executive officer of CareFusion was terminated by CareFusion without cause or resigned for good reason (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of November 30, 2014.

**Named Executive**

<b>Officer(1)</b>	<b>Cash (\$)(2)</b>	<b>Equity\$(3)</b>	<b>Perquisites/ Benefits\$(4)</b>	<b>Total (\$)</b>
Kieran T. Gallahue	7,080,000	30,697,134	66,294	37,843,428
James F. Hinrichs	2,550,404	10,093,427	46,863	12,690,694
Thomas J. Leonard	2,256,936	6,448,681	52,116	8,757,733
Joan B. Stafslie	2,169,953	4,775,944	47,462	6,993,359
Gordon M. LaFortune	1,689,200	1,596,707	70,405	3,356,312

- (1) Vivek Jain was a named executive officer of CareFusion during its 2014 fiscal year and his employment with CareFusion ended in February 2014. Mr. Jain is not entitled to receive any merger-related compensation.

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- (2) *Cash*. Consists of (a) a lump sum cash severance amount equal to two times the sum of (x) the named executive officer's base salary as in effect as of the date of termination of employment and (y) the named executive officer's target bonus under the MIP for the fiscal year in which the termination of employment occurs, (b) a lump sum prorated annual bonus payment equal to the named executive officer's target bonus under the MIP for the fiscal year in which the termination of employment occurs, prorated based on the number of whole and partial months (rounded up) from the date of termination of employment through the end of such fiscal year (the Prorated Target Bonus) and (c) a lump sum prorated fiscal year 2015 bonus under the MIP in an amount equal to the full bonus amount determined based on the level of achievement of the applicable performance goals as determined by the compensation committee (as described above under Interests of CareFusion's Directors and Executive Officers in the Merger Fiscal Year 2015 Cash Bonus Awards) and the named executive officer's fiscal year 2015 target bonus opportunity under the MIP, prorated based on the number of days during fiscal year 2015 that such named executive officer was employed by CareFusion and its subsidiaries, and reduced by the amount of the Prorated Target Bonus that is payable for the same period of service, if any (the Prorated Actual Bonus). The amount of the Prorated Actual Bonus is estimated assuming achievement of the applicable performance goals at target level because the actual level of achievement has not yet been determined by the compensation committee. All such payments are double trigger and become payable only upon a termination of employment by CareFusion without cause or resignation by the named executive officer for good reason within 24 months following the effective time. The amount of each such payment is shown in the following table:

**Named Executive**

<b>Officer</b>	<b>Severance (\$)</b>	<b>Prorated Target</b>	<b>Prorated Actual</b>	<b>Total (\$)</b>
		<b>Bonus (\$)</b>	<b>Bonus (\$)</b>	
Kieran T. Gallahue	5,520,000	1,040,000	520,000	7,080,000
James F. Hinrichs	2,086,694	309,140	154,570	2,550,404
Thomas J. Leonard	1,846,584	273,568	136,784	2,256,936
Joan B. Stafslie	1,787,020	255,289	127,644	2,169,953
Gordon M. LaFortune	1,400,800	192,267	96,133	1,689,200

- (3) *Equity*. Consists of (a) cancellation of CareFusion performance stock units that become vested at the effective time (Vested PSUs) in exchange for the merger consideration (a single trigger benefit) and (b) with respect to CareFusion stock options, unvested CareFusion restricted stock units (Unvested RSUs), and unvested CareFusion performance stock units that do not become vested at the effective time (Unvested PSUs) that are converted into BD awards at the effective time, accelerated vesting of such BD awards upon a termination without cause or resignation for good reason within two years following the effective time (a double trigger benefit). The value of the Vested PSUs and the Unvested PSUs is estimated assuming achievement of the applicable performance goals at target level because the actual level of achievement has not yet been determined by the compensation committee. For further details regarding the treatment of CareFusion equity awards in connection with the merger, see Interests of CareFusion's Directors and Executive Officers in the Merger Equity Compensation. The value of each such benefit is shown in the following table:

**Named Executive**

<b>Officer</b>	<b>Vested</b>	<b>Stock</b>	<b>Unvested</b>	<b>Unvested</b>	<b>Total (\$)</b>
	<b>PSUs (\$)</b>	<b>Options (\$)</b>	<b>RSUs (\$)</b>	<b>PSUs (\$)</b>	
Kieran T. Gallahue	2,566,832	15,111,551	5,929,136	7,089,615	30,697,134
James F. Hinrichs	858,357	4,966,802	1,953,891	2,314,377	10,093,427



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Thomas J. Leonard	590,797	3,173,408	1,269,197	1,415,279	6,448,681
Joan B. Stafslie	420,052	2,352,734	934,803	1,068,355	4,775,944
Gordon M. LaFortune	244,043	442,179	241,297	669,188	1,596,707

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- (4) *Perquisites/Benefits*. Consists of (a) the value of employer-paid medical continuation coverage for 36 months (for the CEO) or 24 months (for all other named executive officers) following the termination date, estimated based on medical coverage elections made by each named executive officer for 2014 and assuming 2015 medical coverage rates, and (b) the value of the payment for outplacement services for 12 months following the termination date, estimated based on CareFusion's historical cost for outplacement services. Such benefits are double trigger and are provided only upon a termination of employment without cause or resignation by the named executive officer for good reason within 24 months following the effective time. The value of each such benefit is shown in the following table:

**Named Executive**

<b>Officer</b>	<b>Medical Coverage (\$)</b>	<b>Outplacement Services(\$)</b>	<b>Total (\$)</b>
Kieran T. Gallahue	58,294	8,000	66,294
James F. Hinrichs	38,862	8,000	46,863
Thomas J. Leonard	44,116	8,000	52,116
Joan B. Stafslie	39,462	8,000	47,462
Gordon M. LaFortune	62,405	8,000	70,405

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**ADVISORY (NON-BINDING) VOTE ON MERGER-RELATED COMPENSATION FOR CAREFUSION S  
NAMED EXECUTIVE OFFICERS**

**Vote Required and Board of Directors Recommendation**

Under Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, CareFusion is required to submit a proposal to its stockholders for an advisory (non-binding) vote to approve certain compensation that may become payable to CareFusion's named executive officers in connection with the completion of the merger. This proposal, which we refer to as the compensation proposal, gives CareFusion's stockholders the opportunity to vote, on an advisory (non-binding) basis, on the compensation that may be paid or become payable to CareFusion's named executive officers in connection with the merger. This compensation is summarized in the table in the section entitled "Interests of CareFusion's Directors and Executive Officers in the Merger - Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger" beginning on page 111, including the footnotes to the table and the associated narrative discussion. The CareFusion board of directors unanimously recommends that CareFusion's stockholders approve the following resolution:

RESOLVED, that the compensation that may be paid or become payable to the named executive officers of CareFusion Corporation in connection with the merger, as disclosed pursuant to Item 402(t) of Regulation S-K in the table in the section of the proxy statement/prospectus entitled "Interests of CareFusion's Directors and Executive Officers in the Merger - Quantification of Potential Payments and Benefits to CareFusion's Named Executive Officers in Connection with the Merger" including the footnotes to the table and the associated narrative discussion, and the agreements and plans pursuant to which such compensation may be paid or become payable, are hereby APPROVED.

The vote on the compensation proposal is a vote separate and apart from the vote on the merger proposal. Accordingly, you may vote to approve the merger proposal and vote not to approve the compensation proposal and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either CareFusion or BD. Accordingly, if the merger agreement is approved and adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the compensation proposal. The approval of the compensation proposal requires the affirmative vote of the holders of a majority of shares of CareFusion common stock present in person or represented by proxy and entitled to vote thereon. If your shares of CareFusion common stock are present at the special meeting but your shares are not voted on the proposal, or if you vote to abstain on the proposal, each will have the effect of a vote AGAINST the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee to vote your shares of CareFusion common stock, your shares of CareFusion common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related executive compensation except to the extent it results in there being insufficient shares present at the meeting to establish a quorum. The CareFusion board unanimously recommends that you vote **FOR** the compensation proposal.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a general discussion of the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of CareFusion common stock whose shares are exchanged for the merger consideration pursuant to the merger. This discussion is based on the provisions of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, applicable U.S. Treasury regulations, judicial opinions, and administrative rulings and published positions of the Internal Revenue Service, each as in effect as of the date hereof. These authorities are subject to change, possibly on a retroactive basis, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax considerations under state, local or foreign laws or U.S. federal laws other than those pertaining to the U.S. federal income tax. This discussion is not binding on the Internal Revenue Service or the courts and, therefore, could be subject to challenge, which could be sustained. No ruling is intended to be sought from the Internal Revenue Service with respect to the merger.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of CareFusion common stock that is:

a citizen or individual resident of the United States;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

a trust if (1) a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person; or

an estate the income of which is subject to U.S. federal income tax regardless of its source.

This discussion applies only to U.S. holders of shares of CareFusion common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that may be relevant to a holder in light of its particular circumstances, or that may apply to a holder that is subject to special treatment under the U.S. federal income tax laws (including, for example, insurance companies, controlled foreign corporations, passive foreign investment companies, dealers or brokers in securities or foreign currencies, traders in securities who elect the mark-to-market method of accounting, holders subject to the alternative minimum tax, U.S. holders that have a functional currency other than the U.S. dollar, tax-exempt organizations, governmental agencies or instrumentalities, banks and certain other financial institutions, mutual funds, certain expatriates, partnerships, S corporations, or other pass-through entities or investors in partnerships or such other entities, holders who hold shares of CareFusion common stock as part of a hedge, straddle, constructive sale or conversion transaction, and holders who acquired their shares of CareFusion common stock through the exercise of employee stock options or other compensation arrangements).

If a partnership (including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of CareFusion common stock, the tax treatment of a partner in such partnership will generally depend on the status of the partners and the activities of the partnership. If you are a partner of a partnership holding shares of CareFusion common stock, you should consult your tax advisor.

Holders of CareFusion common stock are urged to consult their own tax advisors to determine the particular tax consequences to them of the merger, including the applicability and effect of the alternative minimum tax, the unearned income Medicare contribution tax and any state, local, foreign or other tax laws.

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**Table of Contents***Consequences to U.S. Holders*

The receipt of the merger consideration by U.S. holders in exchange for shares of CareFusion common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. In general, for U.S. federal income tax purposes, a U.S. holder who receives the merger consideration in exchange for shares of CareFusion common stock pursuant to the merger will recognize gain or loss in an amount equal to the difference, if any, between (1) the fair market value of the BD common stock as of the effective time of the merger plus the amount of cash received and (2) the U.S. holder's adjusted tax basis in such shares.

If a U.S. holder's holding period in the shares of CareFusion common stock surrendered in the merger is greater than one year as of the date of the merger, the gain or loss will be long-term capital gain or loss. Long-term capital gains of certain non-corporate holders, including individuals, are generally subject to U.S. federal income tax at preferential rates. The deductibility of a capital loss recognized on the exchange is subject to limitations. If a U.S. holder acquired different blocks of CareFusion common stock at different times or different prices, such U.S. holder must determine its adjusted tax basis and holding period separately with respect to each block of CareFusion common stock.

A U.S. holder's aggregate tax basis in BD common stock received in the merger will equal the fair market value of the stock as of the effective time of the merger. The holding period of the BD common stock received in the merger will begin on the day after the merger.

Notwithstanding the above, in certain circumstances, the receipt of the cash consideration by U.S. holders of CareFusion common stock that also actually or constructively own BD common stock may be subject to Section 304 of the Code if holders who own (including by attribution) 50% or more of the CareFusion common stock before the merger own (including by attribution), immediately after the merger, 50% or more of the BD common stock. If Section 304 of the Code applies to the cash consideration received in the merger, then instead of recognizing gain or loss as described above in respect of such cash consideration, a U.S. holder may recognize dividend income up to the amount of such cash consideration if such holder's receipt of the cash consideration is not substantially disproportionate with respect to such holder or is essentially equivalent to a dividend under the tests set forth in Section 302 of the Code. In applying the above tests, a holder may, under constructive ownership rules, be deemed to own stock that is owned by other persons in addition to the stock actually owned by the holder. Because the possibility of dividend treatment depends upon each holder's particular circumstances, including the application of such constructive ownership rules, U.S. holders of CareFusion common stock that also actually or constructively own BD common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances, and any actions that may be taken to mitigate the potential application of such rules.

*Information Reporting and Backup Withholding*

Payments made in exchange for shares of CareFusion common stock pursuant to the merger may be subject, under certain circumstances, to information reporting and backup withholding (currently, at a rate of 28%). To avoid backup withholding, a U.S. holder that does not otherwise establish an exemption should complete and return Internal Revenue Service Form W-9, certifying under penalties of perjury that such U.S. holder is a United States person (within the meaning of the Code), the taxpayer identification number provided is correct and such U.S. holder is not subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a holder's U.S. federal income tax liability, if any, provided that such holder furnishes the required information to the Internal Revenue Service in a timely manner.

**This summary of the material U.S. federal income tax consequences is for general information only and is not tax advice. Holders of CareFusion common stock should consult their tax advisors as to the specific tax consequences to them of the merger in light of their particular circumstances, including the applicability and effect of the alternative minimum tax, the unearned income Medicare contribution tax and the effect of any federal, state, local, foreign and other tax laws.**

**Table of Contents****COMPARISON OF STOCKHOLDERS RIGHTS**

If the merger is completed, CareFusion stockholders will receive as part of the per share merger consideration shares of BD common stock. The following is a summary of certain material differences between (i) the current rights of CareFusion stockholders under the CareFusion charter, CareFusion bylaws and Delaware law, including the DGCL and (ii) the current rights of BD stockholders under the BD charter, the BD bylaws and New Jersey law, including the New Jersey Business Corporation Act.

The following summary is not a complete statement of the rights of stockholders of the two companies or a complete description of the specific provisions referred to below. This summary is qualified in its entirety by reference to CareFusion and BD's governing documents, which we urge you to read carefully and in their entirety. Copies of the respective companies' governing documents have been filed with the SEC. To find out where copies of these documents can be obtained, see the section entitled "Where You Can Find More Information" beginning on page 139 of this proxy statement/prospectus.

BD is incorporated under the laws of the State of New Jersey, and, accordingly, the rights of BD stockholders are governed by the laws of the State of New Jersey. CareFusion is incorporated under the laws of the State of Delaware, and, accordingly, the rights of CareFusion stockholders are governed by the laws of the State of Delaware. As a result of the merger, CareFusion stockholders who receive shares of BD common stock will become BD stockholders. Thus, following the merger, the rights of CareFusion stockholders who become BD stockholders in the merger will shift from being governed by the laws of the State of Delaware to the laws of the State of New Jersey, and will also then be governed by the BD charter and the BD bylaws.

**BD****CareFusion****Authorized Capital Stock**

BD is authorized to issue 645,000,000 shares, divided into two classes consisting of:

- (i) 640,000,000 shares of common stock, par value \$1.00 per share; and
- (ii) 5,000,000 shares of preferred stock, par value \$1.00 per share.

The BD board of directors is authorized to issue the preferred stock in one or more series.

CareFusion is authorized to issue 1,250,000,000 shares, divided into two classes consisting of:

- (i) 1,200,000,000 shares of common stock, par value \$0.01 per share; and
- (ii) 50,000,000 shares of preferred stock, par value \$0.01 per share.

The CareFusion board of directors is authorized to issue the preferred stock in one or more series.

**Voting Rights**

Under the BD charter, at any meeting of BD stockholders, BD stockholders represented in person or by proxy and entitled to vote on a matter have one vote for each share of common stock held.

Except for any adjustment or special voting rights during a default period provided in the BD charter, BD

Under the CareFusion bylaws, at any meeting of CareFusion stockholders, each stockholder present in person or represented by proxy and entitled to vote thereat may cast one vote for each share of common stock held by such stockholder.

The CareFusion board of directors has authority to determine the voting rights, if any, of the holders of



stockholders have 100 votes for each share of Series A Preferred Stock held. Except for any adjustment provided in the BD charter, BD stockholders represented in person or by proxy and entitled to vote on a matter have one vote for each share of Series B Preferred Stock held; provided, however, that if such number of votes per share of Series B Preferred Stock would violate applicable rules and regulations of the SEC or the NYSE, then the number of votes per such share must be the highest vote then permitted.

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*Quorum*

Under the BD bylaws, the presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast at a meeting shall constitute a quorum.

Under the CareFusion bylaws, at all meetings of CareFusion's stockholders, the holders of a majority of all of the outstanding shares of CareFusion common stock issued and outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum. When specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum.

*Stockholder Voting*

Under the BD bylaws, whenever any action is to be taken by vote of the shareholders, other than the election of Directors, it shall be authorized by a majority of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote, unless a greater plurality is required by law or the BD charter.

The CareFusion bylaws provide that, when a quorum is present, the vote of the holders of a majority of all of the outstanding shares of CareFusion common stock having voting power, present in person or by proxy, shall decide any question brought before such meeting, unless a greater number is required by law, the CareFusion bylaws or the CareFusion charter.

*Stockholder Rights Plans*

BD currently has no stockholder rights plan.

CareFusion currently has no stockholder rights plan.

*Rights of Preferred Stock*

The BD board of directors is granted authority to fix, by resolution or resolutions adopted prior to the issuance of any shares of each particular series of the preferred stock, the designation, relative preferences, participating, optional and other special rights and limitations, including but without limiting the generality of the foregoing, the number of shares of each series (which may be increased, unless otherwise fixed by the board, or decreased, but not below the number of shares then outstanding), terms upon which dividends on shares of the series may be paid, redemption prices and the other

The CareFusion charter authorizes the CareFusion board of directors to fix the designations, power, rights and preferences of the shares of each series, and the qualifications, limitations or restrictions of such series to the fullest extent permitted by CareFusion charter and the laws of the State of Delaware, including without limitation, voting rights (if any), dividends rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof, as shall be stated and expressed in a resolution adopted by the board providing for the issuance of such series of preferred

terms of redemption, the conversion and exchange privileges, the rights upon voluntary or involuntary liquidation, merger, consolidation, distribution or sale of assets, dissolution or winding up, terms of the sinking fund or redemption or purchase account to be provided, and voting rights, if any.

No shares of BD's preferred stock were outstanding as of the date of this proxy statement/prospectus. The number of shares that initially constitutes the Series A Preferred Stock is 500,000, which may be increased or decreased by the BD board of directors' action. The number of shares that constitutes the Series B Preferred Stock is 1,016,949.

stock.

No shares of CareFusion's preferred stock were outstanding as of the date of this proxy statement/prospectus.

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*Number of Directors*

The BD charter requires that the BD board of directors consist of not less than three nor more than twenty-one directors; the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the entire board.

The CareFusion bylaws establish that the total number of directors that CareFusion would have if there was no vacancies shall be fixed from time to time exclusively by action of the board.

There are currently 15 members of the BD board of directors.

There are currently 9 members of the CareFusion board of directors.

*Election of Directors*

The BD charter provides that directors shall be elected annually for terms of one year. Except as otherwise required by law, a nominee for director shall be elected at a meeting for the election of directors at which a quorum is present if the number of votes cast for such nominee election exceeds the number of votes cast against such nominee's election; provided that if the number of director nominees exceeds the number of directors to be elected, a nominee shall be elected by a plurality of votes cast by the holders of shares entitled to vote at any such meeting. Whenever the holders of any one or more classes or series of preferred stock shall have the right to elect directors at an annual or special meeting of shareholders, the election shall be governed by the terms of BD's charter.

The CareFusion charter provides that, subject to the rights of the holders of any series of preferred stock, until the 2016 annual meeting, the CareFusion board of directors shall be divided into three classes of directors. Directors shall be assigned to each class in accordance with a resolution of the board, which, to the extent practicable, shall assign an equal number of directors to each class. At each annual meeting of stockholders, prior to the 2014 annual meeting, the successors of the class of directors whose terms were expiring should be elected for a term expiring at the third succeeding annual meeting of stockholders.

Beginning with the 2014 annual meeting, successors to the classes of directors whose term expires in that year shall be elected for a term expiring at the next annual meeting. Beginning with the 2016 annual meeting, the classification of the board shall cease and the entire board will be elected at each annual meeting for a term expiring at the subsequent annual meeting of stockholders.

The BD charter provides that any director elected shall hold office until the next succeeding annual meeting of shareholders and until a successor has been elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Until the 2016 annual meeting, any director elected to fill a term resulting from an increase in the number of directors must have the same terms as the other members of such director's class. From and after the 2016 annual meeting, a director elected to fill a vacancy shall hold office for a term expiring at the next annual meeting.

The CareFusion charter provides that each director shall serve until such director's successor is duly elected and qualified or until such director's death, resignation or removal. No decrease in the number of directors constituting the board shall shorten the term of any incumbent director.

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*Filling Vacancies on the Board of Directors*

Under the BD charter, any vacancy resulting from an increase in the number of directors and any other vacancy occurring in the BD board of directors may be filled by a majority of directors then in office, although less than a quorum, or by a sole remaining director.

Subject to applicable law and the rights of the holders of any series of preferred stock with respect to that preferred stock, newly created directorships resulting from any increase in the authorized number of directors will be filled by a majority of the board then in office, provided that a majority of the whole CareFusion board of directors, or a quorum, is present. Any vacancies in the board resulting from death, resignation, retirement, disqualification, removal or any other cause will be filled generally by the majority of vote of the remaining directors in office, even if less than a quorum is present.

*Removal of Directors*

Under the BD charter, the BD board of directors shall have the power to remove a director for cause and suspend a director pending a final determination that cause exists for removal.

Except as otherwise provided by law or the CareFusion charter, and subject to the rights of the holders of any series of preferred stock with respect to that preferred stock, the stockholders holding a majority of the shares then entitled to vote at an election of directors, acting at a duly called annual meeting or a duly called special meeting occurring prior to the 2016 annual meeting, at which there is a proper quorum and where notice has been provided, may remove a directors only with cause.

*Director Nominations by Stockholders*

The BD bylaws provide that for any nomination of persons for election to the BD board of directors to be properly brought before an annual meeting by a shareholder, the nominating shareholder must give the Secretary of BD timely written notice. To be timely, notice must be delivered or mailed and received at BD s principal executive offices no less than 90 days and no more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. In the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the shareholder must be received no earlier than the 120<sup>th</sup> day prior to such annual meeting

The CareFusion bylaws provide that for stockholder nominations to be properly brought before a stockholder meeting, the nominating stockholder must give the Secretary of CareFusion timely written notice. To be timely, notice must be given no later than the close of business on the 90<sup>th</sup> day and no earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year s annual meeting. However, in the event that the date of the annual meeting is more than 30 days before or more than 70 days after its anniversary date, notice by the stockholder must be given no earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting

and not later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

and no later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth day following the day on which public announcement of the date of such meeting is first made by CareFusion.

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In the event that the number of directors to be elected is increased and there is no notice or public disclosure by BD naming all of the nominees or specifying the size of the increased board at least 70 days prior to the anniversary of the immediately preceding annual meeting of the shareholders, a shareholder's notice shall be considered timely with respect to nominees for any new position created by such increase, if delivered no later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made.

Each stockholder's notice must set forth (a) all information relating to each person the shareholder proposes to nominate that would be required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1933, as amended; (b) the name and record address of such shareholder; (c) the class or series and number of shares of stock of BD beneficially owned or of record by such shareholder, together with proof of ownership if requested by BD; (d) a description of any agreement, arrangement or understanding between or among such shareholder and any other person (including their names) in connection with such proposal of nomination, and any material interest of such shareholder in such nomination; (e) a description of any agreement, arrangement or understanding (including derivative or short positions, profit interests, options, warrants, stock appreciation or similar right, hedging or similar transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of, such shareholder, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such shareholder with respect to shares of BD's stock; (f) a representation that the shareholder will notify BD in writing of any such agreement, arrangement or understanding referenced in item (e) above (including any amendment or modification thereto) in effect as of the record date for the annual meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed; (g) a representation that such shareholder is a holder of record of shares of stock of BD and is entitled to vote at the annual meeting and

In the event that the number of directors to be elected is increased and there is no public announcement by CareFusion naming all of the nominees or specifying the size of the increased board at least 100 days prior to the anniversary of the immediately preceding annual meeting, a stockholder's notice shall be considered timely with respect to nominees for any new position created by such increase, if delivered no later than the close of business on the tenth day following the day on which such public announcement is first made by CareFusion.

Any notice by a stockholder must set forth as to each person whom the stockholder proposes to nominate for election or reelection as a director: (a) all information relating to each person the stockholder proposes to nominate that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in contested election, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act; (b) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and (c) a description of all direct or indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if such stockholder, beneficial owner or any such person were the registrant for purposes of such rule and the nominee were a director or executive of such registrant.

The CareFusion bylaws further require that any notice by a stockholder must set forth as to the stockholder making the nomination or the beneficial owner, if any, on whose behalf the nomination is made: (i) the name and address of the stockholder, as they appear in the



intends to appear in person or by proxy at the annual meeting to bring such nomination before the meeting; and (h) a representation that the shareholder intends, or is part of

corporate books, and of such beneficial owner, if any, (ii) (a) the class or series and number of shares of capital stock of CareFusion which are directly or indirectly owned beneficially and of record by such stockholder or such beneficial owner; (b) any option, warrant, convertible security, stock appreciation right

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a group that intends, to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of BD's outstanding capital stock required to elect the nominee and/or (2) otherwise to solicit proxies from shareholders in support of such nomination.

or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of CareFusion or with a value derived in whole or in part from the value of any class or series of shares of CareFusion, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of CareFusion or otherwise (a *Derivative Instrument*) directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of CareFusion; (c) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of CareFusion; (d) any short interest in any security of CareFusion (for the purposes of the bylaws, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security); (e) any rights to dividends on the shares of CareFusion owned beneficially by such stockholder that are separated or separable from the underlying shares of CareFusion; (f) any proportionate interest in shares of CareFusion or *Derivative Instruments* held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (g) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to, based on any increase or decrease in the value of shares of CareFusion or *Derivative Instruments*, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household; (iii) a description of any agreement, arrangement or understanding with respect to the nomination between or among such stockholder, and such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with the foregoing, (iv) a representation that such stockholder is a holder of record of shares of stock of CareFusion entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination; (v) a

representation whether the stockholder or the beneficial owner, if any, intends, or is part of a group that intends to (1) deliver a proxy

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statement and/or form of proxy to holders of at least the percentage of CareFusion's outstanding capital stock required to elect the nominee or (2) otherwise to solicit proxies from stockholders in support of such nomination; and (vi) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Regulation 14A under the Exchange Act, as amended. In addition, the stockholder's notice must include, with respect to each nominee, the completed and signed questionnaire, representation and agreement to furnish such information.

Stockholder Proposals

The BD bylaws provide that for any business to be properly brought before an annual meeting by a shareholder, such shareholder must give the Secretary of BD timely written notice. To be timely, notice must be delivered or mailed and received at BD's principal executive offices no less than 90 days and no more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. In the event that the annual meeting is called for on a date that is not within 30 days before or after such anniversary date, notice by the shareholder must be received no earlier than the 120<sup>th</sup> day prior to such annual meeting and no later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

Stockholder notice for matters other than director nominations must set forth, as to each matter such stockholder proposes to bring before the annual meeting, (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and record address of such shareholder; (c) the class or series and number of shares of stock of BD beneficially owned or of record by such shareholder,

CareFusion's bylaws provide that for stockholder proposals (other than proposals included in CareFusion's notice of meeting pursuant to Rule 14A-8 promulgated under the Exchange Act) to be properly brought before a stockholder meeting, the stockholder must give the Secretary of CareFusion timely written notice and any such proposed business must constitute a proper matter for stockholder action. To be timely, notice must be given no later than the close of business on the 90<sup>th</sup> day and no earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's annual meeting. However, in the event that the date of the annual meeting is more than 30 days before or more than 70 days after its anniversary date, notice by the stockholder must be given no earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and no later than the close of business on the later of the 90<sup>th</sup> day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the tenth day following the day on which public announcement of the date of such meeting is first made by CareFusion.

Any notice by a stockholder that relates to any business other than a director nomination must set forth, as to

together with proof of ownership if requested by BD;  
(d) a description of any agreement, arrangement or understanding between or among such shareholder and any other person (including their names) in connection with such proposal of business, and any material interest of such shareholder in such business; (e) a description of any agreement,

each matter such stockholder proposes to bring before the annual meeting, (a) a brief description of the business desired to be brought before the meeting , the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the CareFusion bylaws, the language of the proposed amendment),

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arrangement or understanding (including derivative or short positions, profit interests, options, warrants, stock appreciation or similar right, hedging or similar transactions, and borrowed or loaned shares) that has been entered into as of the date of the shareholder's notice by, or on behalf of, such shareholder, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such shareholder with respect to shares of BD's stock; (f) a representation that the shareholder will notify BD in writing of any such agreement, arrangement or understanding referenced in item (e) above (including any amendment or modification thereto) in effect as of the record date for the annual meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed; (g) a representation that such shareholder is a holder of record of shares of stock of BD and is entitled to vote at the annual meeting and intends to appear in person or by proxy at the annual meeting to bring such business before the meeting; and (h) a representation that the shareholder intends, or is part of a group that intends, to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of BD's outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise to solicit proxies from shareholders in support of such proposal. In addition, a shareholder seeking to submit such business at an annual meeting shall promptly provide any other information reasonably requested by BD.

the reason for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and a description of all agreements, arrangements and understandings between or among such stockholder and beneficial owner, if any, and any other person in connection with such proposal of business.

The CareFusion bylaws further require that any notice by a stockholder must set forth as to the stockholder making the proposal or the beneficial owner, if any, on whose behalf the proposal is made: (i) the name and address of the stockholder, as they appear in the corporate books, and of such beneficial owner, if any, (ii) (a) the class or series and number of shares of CareFusion which are directly or indirectly owned beneficially and of record by such stockholder or such beneficial owner; (b) any option, warrant, convertible security, stock appreciation right or Derivative Instrument directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of CareFusion; (c) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder has a right to vote any shares of any security of CareFusion; (d) any short interest in any security of CareFusion; (e) any rights to dividends on the shares of CareFusion owned beneficially by such stockholder that are separated or separable from the underlying shares of CareFusion; (f) any proportionate interest in shares of CareFusion or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and (g) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to, based on any increase or decrease in the value of shares of CareFusion or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household; (iii) a description of any agreement, arrangement or understanding with respect to the proposal between or

among such stockholder, and such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with the foregoing, (iv) a representation that such stockholder is a holder of record of shares of stock of CareFusion entitled to

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vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; (v) a representation whether the stockholder or the beneficial owner, if any, intends, or is part of a group that intends to (1) deliver a proxy statement and/or form of proxy to holders of at least the percentage of CareFusion's outstanding capital stock required to approve or adopt the proposal or (2) otherwise to solicit proxies from stockholders in support of such proposal; and (vi) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal in a contested election pursuant to Regulation 14A under the Securities Exchange Act of 1943, as amended.

*Stockholder Action by Written Consent*

The BD bylaws provide that in order for BD to determine whether a shareholder is entitled to consent to corporate action in writing without a meeting in accordance with the law, the board may fix a record date that shall not precede the date upon which the resolution fixing the record date is adopted by the board, and that shall not be more than 60 days before the date fixed by the BD board of directors for tabulation of the consents or, if no date has been fixed for tabulation, more than 60 days before the last day on which consents received may be counted. When no prior action by the board is required by applicable law, any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the secretary, request the board to fix a record date. The board shall promptly, but in all events within 30 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the board within 30 days after the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed is delivered to BD by delivery to its registered office in New Jersey, its principal place of business or to any officer or agent having custody of the book in which proceedings of the meetings of shareholders are recorded. Delivery made to BD's

Under the CareFusion charter, subject to the rights of the holders of any series of preferred stock with respect to such series of preferred stock, any action required or permitted to be taken at a meeting of CareFusion stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action to be taken, is signed by the holders of records of all of the issued and outstanding stock authorized by law or by CareFusion charter to vote on such action, and such writing is filed with CareFusion's permanent records.



registered office shall be by hand or by certified or  
registered mail, return

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receipt requested. If no record date has been fixed by the board and prior action by the board is required by applicable law, the record date shall be at the close of business on the day on which the board adopts the resolution taking such prior action.

*Charter Amendments*

Except as otherwise provided in the BD charter, any amending of the charter requires approval of the amendment by a majority of a quorum. The BD charter shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of (i) the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds or more of the outstanding shares of Series A Preferred Stock, voting separately as a series; or (ii) of the Series B Preferred Stock so as to affect them adversely without the vote of at least 80% of the outstanding shares of Series B Preferred Stock, voting separately as a series.

In furtherance and not limitation of the powers conferred by the laws of the State of Delaware, subject to any limitations contained in the charter, CareFusion may adopt, amend or repeal its charter; provided that certain provisions may only amended or repealed upon the affirmative vote of the holders of no less than 66 2/3% of the issued and outstanding shares of CareFusion's capital stock entitled to vote at such meeting.

*Bylaw Amendments*

Under the BD bylaws, bylaws may be adopted, amended, or repealed by the shareholders or by a majority vote of the directors then in office. Any bylaw adopted or amended by the shareholders may be amended or repealed by a majority vote of the directors then in office unless such bylaw expressly reserves to the shareholders the right to amend or repeal it.

Under the CareFusion bylaws, the CareFusion board of directors is authorized to adopt, amend or repeal CareFusion bylaws. Stockholders shall have the power to adopt, amend or repeal the bylaws at a duly called annual meeting or special meeting of stockholders; provided that notice of the proposed adoption, amendment, or repeal was given in the notice for such meeting. Certain provisions of the bylaws may not be amended or repealed without the affirmative vote of the holders of no less than 66 2/3% of the issued and outstanding shares of CareFusion's capital stock entitled to vote at such meeting.

*Special Meetings of Stockholders*

The BD bylaws provide that, unless otherwise provided by law, special meetings of the shareholders may be called by the BD board of directors, the chairman of the board, the chief executive officer or the president of BD, and shall be called by the chairman of the board, the chief executive officer or the president of BD upon written request of the majority of the board then in office. A special meeting of shareholders shall be called by the

Subject to the rights of the holders of any series of preferred stock with respect to such preferred stock, special meetings of stockholders for the transaction of such business as may properly come before the meeting may be only called by order of the chairman of the CareFusion board of directors, the board (pursuant to a resolution adopted by the majority of the total number of directors that CareFusion would have if there were

secretary at the written request of holders of record of at least 25% of the voting power of the outstanding capital stock of BD entitled to vote on the matter to be brought before the proposed special meeting. Such special meeting request must be made in proper written form as specified in the BD bylaws.

no vacancies) or the chief executive officer, to be held at such time and place, within or without the State of Delaware, as may be designated in the notice thereof. If such order fails to fix such place, the meeting shall be held at CareFusion's principal executive offices.

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Nominations of persons for election to the board may be made at a special meeting at which directors are to

be elected (i) by or at the direction of the board, or (ii) provided that the board has determined that directors shall be elected at such meeting, by any stockholder of CareFusion who (a) is a stockholder of record at the time the notice mentioned above is delivered to the secretary of CareFusion, (b) is entitled to vote at the meeting and upon such election, and (c) complies with the notice procedures set forth for this nomination.

*Notice of Meetings of Stockholders*

The BD bylaws require written notice of each annual or special meeting of shareholders, signed by the chairman, the chief executive officer, the president or the secretary, that states the time, place and purpose for which the meeting is called. Notice must be given to each shareholder of record entitled to vote at the meeting not less than 10 nor more than 60 days before the date of the meeting. If mailed, the notice shall be directed to the shareholder at his or her address as it appears on the record of the stock transfer agent. Any shareholder, in person or by proxy, may at any time by a duly signed statement in writing to that effect, waive any statutory or other notice of the meeting, whether such statement be signed before or after such meeting.

The CareFusion bylaws provide that written notice of all meetings of stockholders, stating the place, date and time, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the place at which the list of stockholders may be examined, and the purpose thereof, may be mailed or otherwise delivered (including pursuant to electronic transmission in the manner provided in the DGCL) to each stockholder entitled to vote at such meeting. Written notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of CareFusion. Meetings may be held without a notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with the CareFusion bylaws. Any previously scheduled meeting of the stockholders may be postponed, and any special meeting of the stockholders may be cancelled by resolution of the board upon public notice given prior to the date previously scheduled for such meeting.

*Proxies*

The BD bylaws provide that any stockholder of record entitled to vote may be represented at any annual or special meeting of the shareholders by a duly appointed proxy. All proxies shall be filed with the secretary of the meeting before being voted.

The CareFusion bylaws provide that at any meeting of stockholders, each stockholder entitled to vote any shares on any matter to be voted upon at such meeting may exercise such voting right either in person or by proxy appointed by an instrument in writing, subscribed by such stockholder or by such stockholder's duly authorized attorney in fact. No proxy shall be

voted on after three years from its date unless said proxy provides for a longer period.

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*Limitation of Personal Liability of Directors*

The BD charter provides that a director shall not be personally liable to BD or its shareholders for damages for breach of any duty owed to BD or its shareholders, except breach of duty based upon an act or omission (a) in breach of such person's duty of loyalty to BD or its shareholders; (b) not in good faith or involving a knowing violation of law or (c) resulting in receipt by such person of an improper personal benefit. If the New Jersey Business Corporation Act is amended after the effective date of the charter to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a BD director shall