As filed with the Securities and Exchange Commission on February 2, 2022.

File No. 001-41186

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

Amendment No. 1
to
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of
the Securities Exchange Act of 1934

Embecta Corp.
(Exact name of Registrant as specified in its charter)

Delaware	**87-1583942**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification number)**
1 Becton Drive **Franklin Lakes, New Jersey**	**07417-1880**
(Address of principal executive offices)	**(Zip code)**

(201) 847-6800
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	**Name of Each Exchange on which Each Class is to be Registered**
Common Stock, par value $0.01 per share	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

Securities to be registered pursuant to Section 12(g) of the Act: None

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transaction period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EMBECTA CORP.

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. ***Business.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary," "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "The Separation and Distribution," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Our Business," "Certain Relationships and Related Party Transactions" and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. ***Risk Factors.***

The information required by this item is contained under the section of the information statement entitled "Risk Factors." That section is incorporated herein by reference.

Item 2. ***Financial Information.***

The information required by this item is contained under the sections of the information statement entitled "Capitalization," "Unaudited Pro Forma Condensed Combined Financial Information," "Selected Historical Combined Financial Data of the Diabetes Care Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Index to Financial Statements" and the financial statements referenced therein. Those sections are incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained under the section of the information statement entitled "Our Business." That section is incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this item is contained under the section of the information statement entitled "Security Ownership of Certain Beneficial Owners and Management." That section is incorporated herein by reference.

Item 5. ***Directors and Executive Officers.***

The information required by this item is contained under the sections of the information statement entitled "Management" and "Directors." Those sections are incorporated herein by reference.

Item 6. ***Executive Compensation.***

The information required by this item is contained under the sections of the information statement entitled "Compensation Discussion and Analysis" and "Compensation of Named Executive Officers." Those sections are incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions*.**

The information required by this item is contained under the sections of the information statement entitled "Management," "Directors" and "Certain Relationships and Related Party Transactions." Those sections are incorporated herein by reference.

Item 8. ***Legal Proceedings*.**

The information required by this item is contained under the section of the information statement entitled "Our Business—Legal Proceedings." That section is incorporated herein by reference.

Item 9. ***Market Price of, and Dividends on, the Registrant's Common Equity and Related Stockholder Matters*.**

The information required by this item is contained under the sections of the information statement entitled "Dividend Policy," "Capitalization," "The Separation and Distribution," and "Description of Embecta Capital Stock." Those sections are incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities*.**

The information required by this item is contained under the sections of the information statement entitled "Description of Material Indebtedness" and "Description of Embecta Capital Stock—Sale of Unregistered Securities." Those sections are incorporated herein by reference.

Item 11. ***Description of Registrant's Securities to be Registered*.**

The information required by this item is contained under the sections of the information statement entitled "Dividend Policy," "The Separation and Distribution" and "Description of Embecta Capital Stock." Those sections are incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers*.**

The information required by this item is contained under the section of the information statement entitled "Description of Embecta Capital Stock —Limitation on Liability of Directors and Indemnification of Directors and Officers." That section is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data*.**

The information required by this item is contained under the section of the information statement entitled "Index to Combined Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*.**

None.

Item 15. ***Financial Statements and Exhibits*.**

(a) Financial Statements and Schedule

The information required by this item is contained under the sections of the information statement entitled "Unaudited Pro Forma Condensed Combined Financial Information" and "Index to Financial Statements" and the financial statements referenced therein. Those sections are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1	Form of Separation and Distribution Agreement by and between Becton, Dickinson and Company and Embecta Corp.**
3.1	Form of Amended and Restated Certificate of Incorporation of Embecta Corp.*
3.2	Form of Amended and Restated Bylaws of Embecta Corp.*
10.1	Form of Transition Services Agreement by and between Becton, Dickinson and Company and Embecta Corp.**
10.2	Form of Tax Matters Agreement by and between Becton, Dickinson and Company and Embecta Corp.**
10.3	Form of Employee Matters Agreement by and between Becton, Dickinson and Company and Embecta Corp.**
10.4	Form of Embecta Corp. 2022 Employee and Director Equity-Based Compensation Plan*
10.5	Form of Embecta Corp. Executive Severance Plan**
10.6	Form of Embecta Corp. Deferred Compensation Plan**
10.7	Form of Embecta Corp. Director's Deferred Compensation Plan**
10.8	Letter Agreement, dated as of January 25, 2021, by and between Becton, Dickinson and Company and Devdatt Kurdikar*
10.9	Letter Agreement, dated as of April 9, 2021, by and between Becton, Dickinson and Company and Jacob Elguicze*
10.10	Letter Agreement, dated as of August 13, 2021, by and between Becton, Dickinson and Company and Shaun Curtis*
10.11	Letter Agreement, dated as of February 24, 2021, by and between Becton, Dickinson and Company and Ajay Kumar*
10.12	Letter Agreement, dated as of May 26, 2021, by and between Becton, Dickinson and Company and Jeff Mann*
10.13	Change in Control Employment Agreement, dated as of February 10, 2021, by and between Becton, Dickinson and Company and Devdatt Kurdikar*
10.14	Form of Cannula Supply Agreement by and between Becton, Dickinson and Company and Embecta Corp.**+
10.15	Form of Contract Manufacturing Agreement by and between Becton, Dickinson and Company and Embecta Corp.**
10.16	Form of Lease Agreement for Holdrege, Nebraska**+
10.17	Form of Intellectual Property Matters Agreement by and between Becton, Dickinson and Company and Embecta Corp.**+
10.18	Logistics Services Agreement, dated as of January 1, 2022, by and between Becton, Dickinson and Company and Embecta Corp.**
10.19	Form of Distribution Agreement**
21.1	List of Subsidiaries of Embecta Corp.**
99.1	Information Statement of Embecta Corp., preliminary and subject to completion, dated February 2, 2022**
99.2	Form of Notice of Internet Availability of Information Statement Materials**

* Previously filed.

** Filed herewith.

\+ Certain confidential information contained in this document, marked by [***], has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

EMBECTA CORP.

By: /s/ Devdatt Kurdikar
Name: Devdatt Kurdikar
Title: President and Chief Executive Officer

Date: February 2, 2022

Exhibit 2.1

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

BECTON, DICKINSON AND COMPANY

AND

EMBECTA CORP.

DATED AS OF [ ], 2022

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EXHIBITS

Exhibit A	Form of Amended and Restated Certificate of Incorporation of Embecta Corp.
Exhibit B	Form of Amended and Restated Bylaws of Embecta Corp.

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of [ ], 2022 (this "Agreement"), is by and between Becton, Dickinson and Company, a New Jersey corporation ("Parent"), and Embecta Corp., a Delaware corporation ("SpinCo"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

R E C I T A L S

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in connection with the Separation and the Distribution;

WHEREAS, for U.S. federal income tax purposes, the contribution by Parent of the SpinCo Assets to SpinCo in exchange for the Cash Transfer, the assumption of the SpinCo Liabilities, the issuance to Parent of Exchange Debt (if any) and the actual or deemed issuance of additional SpinCo Shares (the "Contribution") and the Distribution, taken together, are intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355, 361 and 368(a)(1)(D) of the Code;

WHEREAS, for U.S. federal income tax purposes, this Agreement (including the Separation Step Plan attached hereto as Schedule 2.1(a)) is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Section 368 of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a);

WHEREAS, SpinCo and Parent have prepared, and SpinCo has filed with the SEC, the Form 10, which includes the Information Statement, and which sets forth disclosure concerning SpinCo, the Separation and the Distribution;

WHEREAS, each of Parent and SpinCo has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of Parent, SpinCo and the members of their respective Groups following the Distribution; and

WHEREAS, the Parties acknowledge that this Agreement and the Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, solely for purposes of this Agreement and the Ancillary Agreements, (a) no member of the SpinCo Group shall be deemed to be an Affiliate of any member of the Parent Group and (b) no member of the Parent Group shall be deemed to be an Affiliate of any member of the SpinCo Group.

"Agreement" shall have the meaning set forth in the Preamble.

"Ancillary Agreements" shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but only agreements as to which no Third Party is a party) in connection with the Separation, the Distribution, or the other transactions contemplated by this Agreement, including the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Cannula Supply Agreement, the Contract Manufacturing Agreements, the Logistics Services Agreements, the Distribution Services Agreements, the Lease Agreement, the Intellectual Property Matters Agreement, the Data Agreement, the Transfer Documents and any other agreement that by its express terms provides that it shall be an Ancillary Agreement for purposes of this Agreement.

"Approvals or Notifications" shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

"BD Name and BD Marks" shall mean the names, Trademarks, monograms, domain names, media accounts or "handles" with Facebook, LinkedIn, Twitter and other social media platforms, and other source or business identifiers of either Party or any member of its Group using or containing "BD", either alone or in combination with other words or elements, and all names, Trademarks, monograms, domain names, social media accounts and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements.

"Cannula Supply Agreement" shall mean the Cannula Supply Agreement to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Cash Transfer" shall have the meaning set forth in Section 2.12(a).

"CEO Negotiation Request" shall have the meaning set forth in Section 7.3.

"Chosen Courts" shall have the meaning set forth in Section 10.2(b).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Contract Manufacturing Agreements" shall mean the one or more Contract Manufacturing Agreements for each of: (i) Dun Laoghaire, Ireland, (ii) Suzhou, China, (iii) Drogheda, Ireland, (iv) Curitiba, Brazil, (v) Bawal, India, (vi) Holdrege, Nebraska and (vii) Cuatitlan, Mexico, in each case, to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, each as it may be amended from time to time.

"Contribution" shall have the meaning set forth in the Recitals.

"Covered Policies" shall have the meaning set forth in Section 5.1(b).

"COVID-19" shall mean SARS-CoV-2 or COVID-19, and any evolutions, variants, mutations or worsening thereof or related or associated epidemics, pandemics or disease outbreaks (including any subsequent waves).

"CPR" shall have the meaning set forth in Section 7.4.

"Data Agreement" shall mean the Data Agreement to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Debt-for-Debt Exchange" shall have the meaning set forth in Section 2.12(a).

"Deferred SpinCo Local Business" shall mean each of the jurisdictions listed on Schedule 1.3 in which, due to the requirements of applicable Laws, the need to obtain certain consents from local Governmental Authorities or for other business reasons, the Parties have agreed to defer until after the Effective Time the transfer of legal title to all or a portion of the SpinCo Assets and the assumption of all or a portion of the SpinCo Liabilities from Parent or a member of the Parent Group to SpinCo or a member of the SpinCo Group.

"Delayed Parent Asset" shall have the meaning set forth in Section 2.4(h).

"Delayed Parent Liability" shall have the meaning set forth in Section 2.4(h).

"Delayed SpinCo Asset" shall have the meaning set forth in Section 2.4(c).

"Delayed SpinCo Liability" shall have the meaning set forth in Section 2.4(c).

"Disclosure Document" shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case that describes the Contribution, the Separation or the Distribution or the SpinCo Group or primarily relates to the transactions contemplated hereby.

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution" shall have the meaning set forth in the Recitals.

"Distribution Agent" shall mean the trust company or bank duly appointed by Parent to act as distribution agent, transfer agent and registrar for the SpinCo Shares in connection with the Distribution.

"Distribution Date" shall mean the date of the consummation of the Distribution, which shall be determined by the Parent Board in its sole and absolute discretion.

"Distribution Services Agreements" shall mean the Distribution Services Agreements to be entered into by and between Parent and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"e-mail" shall have the meaning set forth in Section 10.5.

"Effective Time" shall mean 12:01 a.m., New York City time, on the Distribution Date.

"Employee Matters Agreement" shall mean the Employee Matters Agreement to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Exchange Debt" shall have the meaning set forth in Section 2.12(a).

"Force Majeure" shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including COVID-19 and Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure**.**

"Form 10" shall mean the registration statement on Form 10 filed by SpinCo with the SEC to effect the registration of SpinCo Shares pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof.

"Group" shall mean either the SpinCo Group or the Parent Group, as the context requires.

"Hazardous Materials" shall mean any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Indemnifying Party" shall have the meaning set forth in Section 4.4(a).

"Indemnitee" shall have the meaning set forth in Section 4.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 4.4(a).

"Information Statement" shall mean the information statement to be made available to the holders of Parent Shares in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution.

"Information Technology" shall mean all computer systems (including hardware, computers, servers, workstations, routers, hubs, switches, and data communication lines), network and telecommunications equipment, Internet-related information technology infrastructure, and other information technology equipment, and all associated documentation.

"Initial Notice" shall have the meaning set forth in Section 7.1.

"Insurance Proceeds" shall mean those monies:

(a) received by an insured from an insurance carrier; or

(b) paid by an insurance carrier on behalf of the insured;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property Matters Agreement" shall mean the Intellectual Property Matters Agreement to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Intellectual Property Rights" shall mean any and all common law and statutory rights anywhere in the world arising under or associated with the following: (a) patents, patent applications, utility models, statutory invention registrations, certificates of invention, registered designs, utility models and similar or equivalent rights in inventions and designs, and all rights therein provided by international treaties or conventions ("Patents"), (b) trademarks, service marks, trade names, service names, trade dress, logos and other designations of origin, including any registrations and applications for registration of any of the foregoing ("Trademarks"), (c) rights associated with Internet domain names, uniform resource locators, Internet Protocol addresses, social media accounts or "handles" with Facebook, LinkedIn, Twitter and similar social media platforms, handles, and other names, identifiers, and locators associated with Internet addresses, sites, and services ("Internet Properties"), (d) copyrights and any other equivalent rights in works of authorship (including rights in software or databases as a work of authorship) and any other related rights of authors, and all registrations and applications for registration of any of the foregoing, ("Copyrights"), (e) trade secrets and industrial secret rights and rights in know-how, inventions, data, and any other confidential or proprietary business or technical information, that derive independent economic value, whether actual or potential, from not being known to other persons ("Trade Secrets"), and (f) all other similar or equivalent intellectual property or proprietary rights anywhere in the world.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, Permit, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Lease Agreement" shall mean the Lease Agreement for Holdrege, Nebraska and the other land use, leasing or subleasing agreements, in each case to be entered into by and between Parent and SpinCo or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, each as it may be amended from time to time.

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, fines, settlements, sanctions, costs, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, Action (including any Third-Party Claim) or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Logistics Services Agreements" shall mean the Logistics Services Agreements to be entered into by and between Parent and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Losses" shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Mediation Request" shall have the meaning set forth in Section 7.4.

"NYSE" shall mean the New York Stock Exchange.

"Officer Negotiation Request" shall have the meaning set forth in Section 7.2.

"Pandemic Measures" shall mean any quarantine, "shelter in place," stay at home," workforce reduction, social distancing, shut down, closure, sequester, immunization requirement, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic, including COVID-19.

"Parent" shall have the meaning set forth in the Preamble.

"Parent Accounts" shall have the meaning set forth in Section 2.9(a).

"Parent Assets" shall have the meaning set forth in Section 2.2(b).

"Parent Board" shall have the meaning set forth in the Recitals.

"Parent Books and Records" shall have the meaning set forth in Section 2.2(a).

"Parent Business" shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the SpinCo Business.

"Parent Group" shall mean Parent and each Person that is a Subsidiary of Parent (other than SpinCo and any other member of the SpinCo Group).

"Parent Indemnitees" shall have the meaning set forth in Section 4.2.

"Parent Liabilities" shall have the meaning set forth in Section 2.3(b).

"Parent Shares" shall mean the shares of common stock, par value $1.00 per share, of Parent.

"Parties" shall mean the parties to this Agreement.

"Permits" shall mean permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Prime Rate" shall mean the rate that Bloomberg displays as "Prime Rate by Country United States" or "Prime Rate by Country US-BB Comp" at *https://www.bloomberg.com/quote/PRIME:IND* or on a Bloomberg terminal at PRIMBB Index.

"Privileged Information" shall mean any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and attorney work product privileges.

"Procedure" shall have the meaning set forth in Section 7.4.

"Record Date" shall mean the close of business on the date to be determined by the Parent Board as the record date for determining holders of Parent Shares entitled to receive SpinCo Shares pursuant to the Distribution.

"Record Holders" shall mean the holders of record of Parent Shares as of the Record Date.

"Registered IP" shall mean all United States, international or foreign (a) Patents and Patent applications, (b) registered Trademarks and applications to register Trademarks, (c) registered Copyrights and applications for Copyright registration, and (d) registered Internet Properties.

"Release" shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

"Representatives" shall mean, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Selected Stock Exchange" shall mean the Nasdaq Global Select Market.

"Separation" shall have the meaning set forth in the Recitals.

"Separation Step Plan" shall have the meaning set forth in Section 2.1(a).

"Shared Contract" shall have the meaning set forth in Section 2.8(a).

"Software" shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Specified Ancillary Agreement" shall have the meaning set forth in Section 10.18(b).

"SpinCo" shall have the meaning set forth in the Preamble.

"SpinCo-to-Parent Distribution Transaction" shall have the meaning set forth in Section 2.12(a).

"SpinCo Accounts" shall have the meaning set forth in Section 2.9(a).

"SpinCo Assets" shall have the meaning set forth in Section 2.2(a).

"SpinCo Balance Sheet" shall mean the pro forma combined balance sheet of the SpinCo Business, including any notes and subledgers thereto, as of September 30, 2021, as presented in the Information Statement made available to the Record Holders.

"SpinCo Books and Records" shall mean all books and records to the extent used in or necessary, as of immediately prior to the Effective Time, for the operation of the SpinCo Business, including financial, employee, and general business operating documents, instruments, papers, books, books of account, records and files and data related thereto (including regulatory dossiers, correspondence and related documentation); provided, that SpinCo Books and Records shall not include material that Parent is not permitted by applicable Law or agreement to disclose or transfer to SpinCo; provided, further, that SpinCo Books and Records shall not include any Intellectual Property Rights or Technology.

"SpinCo Business" shall mean the business, operations and activities of the Diabetes Care business unit of Parent as conducted as of immediately prior to the Effective Time by either Party or any of its Subsidiaries, which includes the manufacturing and sale of syringes, pen needles and other products related to the injection or infusion of insulin and other drugs used in the treatment of diabetes.

"SpinCo Bylaws" shall mean the Amended and Restated Bylaws of SpinCo, substantially in the form of Exhibit B.

"SpinCo Certificate of Incorporation" shall mean the Amended and Restated Certificate of Incorporation of SpinCo, substantially in the form of Exhibit A.

"SpinCo Cash Amount" shall have the meaning set forth in Section 2.2(b).

"SpinCo Contracts" shall mean the following contracts and agreements to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing:

(a) any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group exclusively used or exclusively held for use in the SpinCo Business as of the Effective Time;

(b) other than any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group (which contracts and agreements are addressed in clause (a) above to the extent that they shall constitute a SpinCo Contract), (i) any customer, sales, distribution, purchase, rebate, reimbursement, payor, retail, development, research, collaboration, promotion, quality, regulatory, services, purchase order, statement of work, supply or vendor contract or agreement with a Third Party entered into prior to the Effective Time exclusively related to the SpinCo Business and (ii) with respect to any customer, sales, distribution, purchase, rebate, reimbursement, payor, retail, development, research, collaboration, promotion, quality, regulatory, services, purchase order, statement of work, supply or vendor contract or agreement with a Third Party entered into prior to the Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business, that portion of any such contract or agreement that relates to the SpinCo Business;

(c) other than any vendor contracts or agreements with a Third Party pursuant to which such Third Party provides information technology, human resources or financial services to either Party or any member of its Group (which contracts and agreements are addressed in clause (a) above to the extent that they shall constitute a SpinCo Contract), (i) any license agreement entered into prior to the Effective Time exclusively related to the SpinCo Business and (ii) with respect to any license agreement entered into prior to the Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business, that portion of any such license agreement that relates to the SpinCo Business;

(d) any guarantee, indemnity, representation, covenant, warranty or other Liability of either Party or any member of its Group in respect of any other SpinCo Contract, any SpinCo Liability or the SpinCo Business;

(e) any contract or agreement that is expressly contemplated by this Agreement or any of the Ancillary Agreements to be assigned to SpinCo or any member of the SpinCo Group;

(f) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements exclusively related to the SpinCo Business;

(g) any credit agreement, indenture, note or other financing agreement or instrument entered into by SpinCo and/or any member of the SpinCo Group in connection with the Separation, including any SpinCo Financing Arrangements;

(h) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the SpinCo Group;

(i) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreements with any SpinCo Group Employee or consultants of the SpinCo Group that are in effect as of the Effective Time; and

(j) any contracts, agreements or settlements set forth on Schedule 1.5, including the right to recover any amounts under such contracts, agreements or settlements;

Notwithstanding the foregoing, SpinCo Contracts shall not in any event include (x) any contract or agreement that is contemplated to be retained by Parent or any member of the Parent Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (y) any contract or agreement pursuant to which a Third Party licenses or supplies Information Technology, Software, Technology or Intellectual Property Rights to either Party or any of the members of its Group that is not exclusively for the use and benefit of the SpinCo Business.

"SpinCo Designees" shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by Parent that will be members of the SpinCo Group as of immediately prior to the Effective Time.

"SpinCo Financing Arrangements" shall have the meaning set forth in Section 2.12(a).

"SpinCo Group" shall mean (a) prior to the Effective Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Effective Time, including the Transferred Entities, even if, prior to the Effective Time, such Person is not a Subsidiary of SpinCo, and (b) on and after the Effective Time, SpinCo and each Person that is a Subsidiary of SpinCo.

"SpinCo Group Employee" shall have the meaning set forth in the Employee Matters Agreement.

"SpinCo Indemnitees" shall have the meaning set forth in Section 4.3.

"SpinCo Intellectual Property Rights" shall mean (a) the Patents, Trademarks, Internet Properties and other Registered IP set forth on Schedule 1.6(a), and (b) the Intellectual Property Rights (other than Patents, Trademarks, Internet Properties and other Registered IP) that are owned by either Party or any of the members of its Group as of immediately prior to the Effective Time and embodied in or by the items set forth on Schedule 1.6(b).

"SpinCo IT Assets" shall mean (a) all Information Technology owned by either Party or any member of its Group as of immediately prior to the Effective Time that is exclusively used or exclusively held for use in the SpinCo Business; and (b) all Third-Party Software loaded thereon to the extent the applicable contract has transferred to the SpinCo Group pursuant to the terms of this Agreement or the SpinCo Group otherwise independently has a license to such Software.

"SpinCo Liabilities" shall have the meaning set forth in Section 2.3(a).

"SpinCo Permits" shall mean all Permits owned or licensed by either Party or any member of its Group exclusively used or exclusively held for use in the SpinCo Business as of the Effective Time.

"SpinCo Shares" shall mean the shares of common stock, par value $0.01 per share, of SpinCo.

"SpinCo Technology" shall mean any Technology with respect to which the Intellectual Property Rights therein are owned by either Party or any member of its Group to the extent that such Technology is (a) used in, held for use in or necessary for the operation of the SpinCo Business as of the Effective Time and capable of being copied (for example, Software), including Technology set forth on Schedule 1.7, and (b) the know-how of the SpinCo Group Employees to the extent related to the SpinCo Business, but in each case, excluding any Technology set forth on Schedule 1.8, any Information Technology and any SpinCo Books and Records. For clarity, SpinCo Technology does not include any Intellectual Property Rights.

"Straddle Period" shall have the meaning set forth in Section 2.13.

"Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tangible Information" shall mean information that is contained in written, electronic or other tangible forms.

"Tax" shall have the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" shall mean the Tax Matters Agreement to be entered into by and between Parent and SpinCo in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Tax Return" shall have the meaning set forth in the Tax Matters Agreement.

"Technology" shall mean embodiments of Intellectual Property Rights, including blueprints, designs, design protocols, documentation, specifications for materials, specifications for parts and devices, and design tools, materials, manuals, data, databases, Software and know-how or knowledge of employees, relating to, embodying, or describing products, articles, apparatus, devices, processes, methods, formulae, recipes or other technical information; provided that "Technology" shall not include personal property, Information Technology, books and records or any Intellectual Property Rights.

"Third Party" shall mean any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transfer Documents" shall have the meaning set forth in Section 2.1(b).

"Transferred Entities" shall mean the entities set forth on Schedule 1.9.

"Transition Committee" shall have the meaning set forth in Section 2.14.

"Transition Services Agreement" shall mean the Transition Services Agreement to be entered into by and between Parent and SpinCo or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Unreleased Parent Liability" shall have the meaning set forth in Section 2.5(b)(ii).

"Unreleased SpinCo Liability" shall have the meaning set forth in Section 2.5(a)(ii).

ARTICLE II
THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities.

(a) Subject to Section 2.4, on or prior to the Effective Time and prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (the "Separation Step Plan"):

(i) *Transfer and Assignment of SpinCo Assets*. Parent shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to SpinCo, or the applicable SpinCo Designees, and SpinCo or such SpinCo Designees shall accept from Parent and the applicable members of the Parent Group, all of Parent's and such Parent Group member's respective direct or indirect right, title and interest in and to all of the SpinCo Assets (it being understood that if any SpinCo Asset shall be held by a Transferred Entity or a wholly owned Subsidiary of a Transferred Entity, such SpinCo Asset shall be deemed assigned, transferred, conveyed and delivered to SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity from Parent or the applicable members of the Parent Group to SpinCo or the applicable SpinCo Designee);

(ii) *Acceptance and Assumption of SpinCo Liabilities*. SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all of the SpinCo Liabilities in accordance with their respective terms. SpinCo and such SpinCo Designees shall be responsible for all SpinCo Liabilities, regardless of when or where such SpinCo Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such SpinCo Liabilities are asserted or determined (including any SpinCo Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) *Transfer and Assignment of Parent Assets*. Parent and SpinCo shall cause SpinCo and the SpinCo Designees to contribute, assign, transfer, convey and deliver to Parent or certain members of the Parent Group designated by Parent, and Parent or such other members of the Parent Group shall accept from SpinCo and the SpinCo Designees, all of SpinCo's and such SpinCo Designees' respective direct or indirect right, title and interest in and to all Parent Assets held by SpinCo or a SpinCo Designee; and

(iv) *Acceptance and Assumption of Parent Liabilities*. Parent and certain members of the Parent Group designated by Parent shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Parent Liabilities held by SpinCo or any SpinCo Designee and Parent and the applicable members of the Parent Group shall be responsible for all Parent Liabilities in accordance with their respective terms, regardless of when or where such Parent Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Parent Liabilities are asserted or determined (including any such Parent Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents*. In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), and without prejudice to any actions taken to implement, or documents entered into between or among any of the Parties or members of their respective Groups to implement, or in furtherance of, the Separation Step Plan prior to the date hereof, (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) (including any documents entered into between or among any of the Parties or members of their respective Groups to implement or in furtherance of the Separation Step Plan prior to the date hereof) shall be referred to collectively herein as the "Transfer Documents."

(c) *Misallocations*. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) so entitled thereto shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) responsible therefor shall accept, assume and agree to faithfully perform such Liability.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws*. To the extent permissible under applicable Law, SpinCo hereby waives compliance by each and every member of the Parent Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. To the extent permissible under applicable Law, Parent hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Parent Assets to any member of the Parent Group.

2.2 SpinCo Assets; Parent Assets.

(a) *SpinCo Assets*. For purposes of this Agreement, "SpinCo Assets" shall mean:

(i) all issued and outstanding capital stock or other equity interests of the Transferred Entities that are owned by either Party or any members of its Group as of the Effective Time;

(ii) all Assets of either Party or any members of its Group included or reflected as assets of the SpinCo Group on the SpinCo Balance Sheet (including any inventory), subject to any dispositions of such Assets subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (ii);

(iii) all Assets of either Party or any of the members of its Group as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of SpinCo or members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time, including any inventory (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii);

(iv) all Assets of either Party or any of the members of its Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be transferred to SpinCo or any other member of the SpinCo Group;

(v) all SpinCo Contracts as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(vi) all SpinCo Intellectual Property Rights as of the Effective Time, including any goodwill appurtenant to any Trademarks included in the SpinCo Intellectual Property Rights and the right to seek, recover and retain damages for infringement of any SpinCo Intellectual Property Rights;

(vii) all SpinCo Technology as of immediately prior to the Effective Time;

(viii) all SpinCo IT Assets as of immediately prior to the Effective Time;

(ix) all SpinCo Permits as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(x) all Assets of either Party or any of the members of its Group as of the Effective Time that are exclusively related to the SpinCo Business and that are of a type that are not addressed in subsections (i)-(ix) and (xi)-(xii) of this Section 2.2(a);

(xi) copies of any and all SpinCo Books and Records in the possession of either Party as of immediately prior to the Effective Time; provided, that Parent shall be permitted to retain copies of, and continue to use, subject to Section 6.9, (A) any SpinCo Books and Records that as of the Effective Time are used in or necessary for the operation or conduct of the Parent Business, (B) any SpinCo Books and Records that Parent is required by Law to retain (and if copies are not provided to SpinCo, then, to the extent permitted by Law, such copies will be made available to SpinCo upon SpinCo's reasonable request), (C) one (1) copy of any SpinCo Books and Records to the extent required to demonstrate compliance with applicable Law or pursuant to internal compliance procedures or related to any Parent Assets or Parent's and/or its Affiliates' obligations under this Agreement or any of the Ancillary Agreements and (D) "back-up" electronic tapes of such SpinCo Books and Records maintained by Parent in the ordinary course of business (such material in clauses (A) through (D), the "Parent Books and Records"); and

(xii) any and all Assets set forth on Schedule 2.2(a)(xii).

Notwithstanding the foregoing, the SpinCo Assets shall not in any event include any Asset referred to in clauses (i) through (vii) of Section 2.2(b).

(b) *Parent Assets*. For the purposes of this Agreement, "Parent Assets" shall mean all Assets of either Party or the members of its Group as of the Effective Time, other than the SpinCo Assets, it being understood that, notwithstanding anything herein to the contrary, the Parent Assets shall include:

(i) all Assets of either Party or any of the members of its Group as of the Effective Time that are contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Parent or any other member of the Parent Group;

(ii) all contracts and agreements of either Party or any of the members of its Group as of the Effective Time other than the SpinCo Contracts;

(iii) the BD Name and BD Marks and the Intellectual Property Rights set forth on Schedule 2.2(b)(iii), and (y) all other Intellectual Property Rights owned by either Party or any of the members of its Group as of the Effective Time other than, in the case of this clause (y), the SpinCo Intellectual Property Rights;

(iv) (A) the Technology set forth on Schedule 2.2(b)(iv), (B) all Technology of either Party or any of the members of its Group as of the Effective Time, other than, in the case of this clause (B), the copies of such Technology that are SpinCo Technology;

(v) all Information Technology, other than SpinCo IT Assets, owned by either Party or any member of its Group as of immediately prior to the Effective Time;

(vi) all Permits of either Party or any of the members of its Group as of the Effective Time other than the SpinCo Permits;

(vii) all Parent Books and Records;

(viii) all cash and cash equivalents of either Party or any of the members of its Group as of the Effective Time, other than an amount of cash and cash equivalents equal to one hundred sixty million dollars ($160,000,000) (the "SpinCo Cash Amount") of the proceeds obtained by SpinCo prior to the Effective Time from the SpinCo Financing Arrangements (it being understood that SpinCo Cash Amount is the amount of cash and cash equivalents that shall be retained by SpinCo after the payment of its costs and expenses incurred in connection with the SpinCo Financing Arrangements); and

(ix) any and all Assets set forth on Schedule 2.2(b)(vii).

2.3 SpinCo Liabilities; Parent Liabilities.

(a) *SpinCo Liabilities*. For the purposes of this Agreement, "SpinCo Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on the SpinCo Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii);

(iii) all Liabilities, including any Environmental Liabilities, to the extent relating to , arising out of or resulting from (and only such portion relating to, arising out of or resulting from), (x) the business, operations and activities of the Diabetes Care business unit of Parent as conducted at any time prior to the Effective Time by either Party or any of its current or former Subsidiaries (including any terminated, divested or discontinued business, operations and activities of the Diabetes Care business unit, including those set forth on Schedule 1.4) or (y) any SpinCo Asset;

(iv) any and all Liabilities of either Party or any of the members of its Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by SpinCo or any other member of the SpinCo Group, and all agreements, obligations and Liabilities of any member of the SpinCo Group under this Agreement or any of the Ancillary Agreements;

(v) all Liabilities to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) the SpinCo Contracts, the SpinCo Intellectual Property Rights, the SpinCo IT Assets, the SpinCo Technology, the SpinCo Permits or the SpinCo Financing Arrangements;

(vi) any and all Liabilities set forth on Schedule 2.3(a); and

(vii) all Liabilities arising out of claims made by any Third Party (including Parent's or SpinCo's respective directors, officers, shareholders/stockholders, employees and agents) against any member of the Parent Group or the SpinCo Group to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) (x) the business, operations and activities of the Diabetes Care business unit of Parent as conducted at any time prior to the Effective Time by either Party or any of its current or former Subsidiaries (including any terminated, divested or discontinued business, operations and activities of the Diabetes Care business unit, including those set forth on Schedule 1.4), (y) any SpinCo Asset or (z) the other business, operations, activities or Liabilities of SpinCo referred to in clauses (i) through (vi) of this Section 2.3(a);

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth on Schedule 2.3(b) and any Liabilities of any member of the Parent Group pursuant to the Ancillary Agreements shall not be SpinCo Liabilities but instead shall be Parent Liabilities.

(b) *Parent Liabilities*. For the purposes of this Agreement, "Parent Liabilities" shall mean:

(i) all Liabilities of either Party or the members of its Group as of the Effective Time, in each case that are not SpinCo Liabilities, including any and all Liabilities set forth on Schedule 2.3(b); and

(ii) all Liabilities arising out of claims made by any Third Party (including Parent's or SpinCo's respective directors, officers, shareholders/stockholders, employees and agents) against any member of the Parent Group or the SpinCo Group to the extent relating to, arising out of or resulting from (and only such portion relating to, arising out of or resulting from) the Parent Business or the Parent Assets.

2.4 Approvals and Notifications.

(a) *Approvals and Notifications for SpinCo Assets and Liabilities*. To the extent that the transfer or assignment of any SpinCo Asset, the assumption of any SpinCo Liability, the Separation, or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Delayed SpinCo Transfers*. If and to the extent that the valid, complete and perfected transfer or assignment to the SpinCo Group of any SpinCo Asset or assumption by the SpinCo Group of any SpinCo Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the SpinCo Group of such SpinCo Assets or the assumption by the SpinCo Group of such SpinCo Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such SpinCo Assets or SpinCo Liabilities shall continue to constitute SpinCo Assets and SpinCo Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed SpinCo Assets and Delayed SpinCo Liabilities*. If any transfer or assignment of any SpinCo Asset (or a portion thereof) or any assumption of any SpinCo Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such SpinCo Asset (or a portion thereof), a "Delayed SpinCo Asset" and any such SpinCo Liability (or a portion thereof), a "Delayed SpinCo Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Parent Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability, as the case may be, shall thereafter hold such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, for the use and benefit of the member of the SpinCo Group entitled thereto (at the expense of the member of the SpinCo Group entitled thereto). In addition, the member of the Parent Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed SpinCo Asset or Delayed SpinCo Liability in the ordinary course of business in accordance with SpinCo Group past practice and take such other actions as may be reasonably requested by the member of the SpinCo Group to whom such Delayed SpinCo Asset is to be transferred or assigned, or which will assume such Delayed SpinCo Liability, as the case may be, in order to place such member of the SpinCo Group in a

substantially similar position as if such Delayed SpinCo Asset or Delayed SpinCo Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the SpinCo Group. Except as otherwise required by applicable Law, each of Parent and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes (x) any Delayed SpinCo Asset as an Asset owned by the Party entitled to such Delayed SpinCo Asset, and (y) any Delayed SpinCo Liability as a Liability of the Party intended to be responsible for such Delayed SpinCo Liability, in each case not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment.

(d) *Transfer of Delayed SpinCo Assets and Delayed SpinCo Liabilities*. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed SpinCo Asset or the deferral of assumption of any Delayed SpinCo Liability, are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed SpinCo Asset or the assumption of any Delayed SpinCo Liability have been removed, the transfer or assignment of the applicable Delayed SpinCo Asset or the assumption of the applicable Delayed SpinCo Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) *Costs for Delayed SpinCo Assets and Delayed SpinCo Liabilities*. Any member of the Parent Group retaining a Delayed SpinCo Asset or Delayed SpinCo Liability due to the deferral of the transfer or assignment of such Delayed SpinCo Asset or the deferral of the assumption of such Delayed SpinCo Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by SpinCo or the member of the SpinCo Group entitled to the Delayed SpinCo Asset or Delayed SpinCo Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by SpinCo or the member of the SpinCo Group entitled to such Delayed SpinCo Asset or Delayed SpinCo Liability; provided, however, that the Parent Group shall not knowingly allow the loss or diminution of value of any Delayed SpinCo Asset without first providing the SpinCo Group commercially reasonable notice of such potential loss or diminution in value and affording the SpinCo Group a commercially reasonable opportunity to take action to prevent such loss or diminution in value.

(f) *Approvals and Notifications for Parent Assets*. To the extent that the transfer or assignment of any Parent Asset, the assumption of any Parent Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) *Delayed Parent Transfers*. If and to the extent that the valid, complete and perfected transfer or assignment to the Parent Group of any Parent Asset or assumption by the Parent Group of any Parent Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the Parent Group of such Parent Assets or the assumption by the Parent Group of such Parent Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Parent Assets or Parent Liabilities shall continue to constitute Parent Assets and Parent Liabilities for all other purposes of this Agreement.

(h) *Treatment of Delayed Parent Assets and Delayed Parent Liabilities*. If any transfer or assignment of any Parent Asset (or a portion thereof) or any assumption of any Parent Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of Section 2.4(g) or for any other reason (any such Parent Asset (or a portion thereof), a "Delayed Parent Asset" and any such Parent Liability (or a portion thereof), a "Delayed Parent Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the SpinCo Group retaining such Delayed Parent Asset or such Delayed Parent Liability, as the case may be, shall thereafter hold such Delayed Parent Asset or Delayed Parent Liability, as the case may be, for the use and benefit of the member of the Parent Group entitled thereto (at the expense of the member of the Parent Group entitled thereto). In addition, the member of the SpinCo Group retaining such Delayed Parent Asset or such Delayed Parent Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Parent Asset or Delayed Parent Liability in the ordinary course of business in accordance with Parent Group past practice and take such other actions as may be reasonably requested by the member of the Parent Group to which such Delayed Parent Asset is to be transferred or assigned, or which will assume such Delayed Parent Liability, as the case may be, in order to place such member of the Parent Group in a substantially similar position as if such Delayed Parent Asset or Delayed Parent Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed Parent Asset or Delayed Parent Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Parent Asset or Delayed Parent Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the Parent Group. Except as otherwise required by applicable Law, each of Parent and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes (x) any Delayed Parent Asset as an Asset owned by the Party entitled to such Delayed Parent Asset, and (y) any Delayed Parent Liability as a Liability of the Party intended to be responsible for such Delayed Parent Liability, in each case not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment.

(i) *Transfer of Delayed Parent Assets and Delayed Parent Liabilities*. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Parent Asset or the deferral of assumption of any Delayed Parent Liability pursuant to Section 2.4(g), are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed Parent Asset or the assumption of any Delayed Parent Liability have been removed, the transfer or assignment of the applicable Delayed Parent Asset or the assumption of the applicable Delayed Parent Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(j) *Costs for Delayed Parent Assets and Delayed Parent Liabilities*. Any member of the SpinCo Group retaining a Delayed Parent Asset or Delayed Parent Liability due to the deferral of the transfer or assignment of such Delayed Parent Asset or the deferral of the assumption of such Delayed Parent Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Parent or the member of the Parent Group entitled to the Delayed Parent Asset or Delayed Parent Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Parent or the member of the Parent Group entitled to such Delayed Parent Asset or Delayed Parent Liability; provided, however, that the SpinCo Group shall not knowingly allow the loss or diminution of value of any Delayed Parent Asset without first providing the Parent Group commercially reasonable notice of such potential loss or diminution in value and affording the Parent Group a commercially reasonable opportunity to take action to prevent such loss or diminution in value.

2.5 Novation of Liabilities.

(a) *Novation of SpinCo Liabilities.*

(i) Except as set forth in Schedule 2.5(a), each of Parent and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all SpinCo Liabilities and obtain in writing the unconditional release of each member of the Parent Group that is a party to any such arrangements, so that, in any such case, the members of the SpinCo Group shall be solely responsible for such SpinCo Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Parent Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased SpinCo Liability"), SpinCo shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Parent Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Parent Group that constitute Unreleased SpinCo Liabilities from and after the Effective Time and (y) use its commercially reasonable efforts to effect such payment, performance or

discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Parent Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased SpinCo Liabilities shall otherwise become assignable or able to be novated, Parent shall promptly assign, or cause to be assigned, and SpinCo or the applicable SpinCo Group member shall assume, such Unreleased SpinCo Liabilities without exchange of further consideration.

(b) *Novation of Parent Liabilities.*

(i) Each of Parent and SpinCo, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Parent Liabilities and obtain in writing the unconditional release of each member of the SpinCo Group that is a party to any such arrangements, so that, in any such case, the members of the Parent Group shall be solely responsible for such Parent Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither Parent nor SpinCo shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the SpinCo Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Parent Liability"), Parent shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the SpinCo Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SpinCo Group that constitute Unreleased Parent Liabilities from and after the Effective Time and (y) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SpinCo Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Parent Liabilities shall otherwise become assignable or able to be novated, SpinCo shall promptly assign, or cause to be assigned, and Parent or the applicable Parent Group member shall assume, such Unreleased Parent Liabilities without exchange of further consideration.

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Effective Time or as soon as practicable thereafter, each of Parent and SpinCo shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such other Party's Group, use commercially reasonable efforts to (i) have any member(s) of the Parent Group removed as guarantor of or

obligor for any SpinCo Liability to the extent that such guarantee or obligation relates to SpinCo Liabilities, including the removal of any Security Interest on or in any Parent Asset that may serve as collateral or security for any such SpinCo Liability; and (ii) have any member(s) of the SpinCo Group removed as guarantor of or obligor for any Parent Liability to the extent that such guarantee or obligation relates to Parent Liabilities, including the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any such Parent Liability.

(b) To the extent required to obtain a release from a guarantee of:

(i) any member of the Parent Group, SpinCo shall (or shall cause a member of the SpinCo Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Parent Asset that may serve as collateral or security for any SpinCo Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which SpinCo (or any member of the SpinCo Group) would be reasonably unable to comply or (y) which SpinCo (or any member of the SpinCo Group) would not reasonably be able to avoid breaching; and

(ii) any member of the SpinCo Group, Parent shall (or shall cause a member of the Parent Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any Parent Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which Parent (or any member of the Parent Group) would be reasonably unable to comply or (y) which Parent (or any member of the Parent Group) would not reasonably be able to avoid breaching.

(c) If Parent or SpinCo is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party or the relevant member of its Group that has assumed the Liability with respect to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of Parent and SpinCo, on behalf of itself and the other members of their respective Groups, agrees not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to such other Party.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, SpinCo and each member of the SpinCo Group, on the one hand, and Parent and each member of the Parent Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among SpinCo and/or any member of the SpinCo Group, on the one hand, and Parent and/or any member of the Parent Group, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party; (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Parent or SpinCo, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All of the intercompany accounts receivable and accounts payable between any member of the Parent Group, on the one hand, and any member of the SpinCo Group, on the other hand, outstanding as of the Effective Time shall, as promptly as practicable after the Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by Parent in its sole and absolute discretion.

2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable Party pursuant to this Agreement or an Ancillary Agreement, any contract or agreement, a portion of which is a SpinCo Contract, but the remainder of which is a Parent Asset (any such contract or agreement, a "Shared Contract"), including those set forth on Schedule 2.8, shall be assigned in relevant part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Effective Time, so that each Party or the member of its Group shall, as of the Effective

Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses; provided, however, that (i) in no event shall any member of any Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any Shared Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the SpinCo Group or the Parent Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the SpinCo Business or the Parent Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to a member of the applicable Group (or amended to allow a member of the applicable Group to exercise applicable rights under such Shared Contract) pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Except as otherwise required by applicable Law, each of Parent and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as an Asset owned by, and/or a Liability of, as applicable, such Party, or the members of its Group, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment.

(c) Nothing in this Section 2.8 shall require any member of any Group to make any non-*de minimis* payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any non-*de minimis* obligation or grant any non-*de minimis* concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

2.9 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by SpinCo or any other member of the SpinCo Group (collectively, the "SpinCo Accounts") and all contracts or agreements governing each bank or brokerage account owned by Parent or any other member of the Parent Group (collectively, the "Parent Accounts") so that each such SpinCo Account and Parent Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to) to any Parent Account or SpinCo Account, respectively, is de-linked from such Parent Account or SpinCo Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will be in place a cash management process pursuant to which the SpinCo Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by SpinCo or a member of the SpinCo Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the Parent Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by Parent or a member of the Parent Group.

(d) With respect to any outstanding checks issued or payments initiated by Parent, SpinCo, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between Parent and SpinCo (and the members of their respective Groups), all payments made and reimbursements, credits, returns, or rebates received after the Effective Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, credit, return or rebate such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

2.10 Ancillary Agreements. Effective on or prior to the Effective Time, each of Parent and SpinCo will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.11 Disclaimer of Representations and Warranties. EACH OF PARENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PARENT GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SPINCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO: (A) THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, (B) ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, (C) THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, (D) THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR (E) THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS

MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

2.12 SpinCo Financing Arrangements; SpinCo-to-Parent Distribution Transaction.

(a) Prior to the Effective Time and pursuant to the Separation Step Plan, (i) SpinCo will enter into one (1) or more financing arrangements and agreements, as set forth on Schedule 2.12 (the "SpinCo Financing Arrangements"), pursuant to which it shall borrow prior to the Effective Time a principal amount of not less than one billion, six hundred fifty million dollars ($1,650,000,000) (it being understood that if SpinCo issues the Exchange Debt (as defined below) to Parent, such Exchange Debt shall be treated as part of the SpinCo Financing Arrangements) and (ii) SpinCo shall distribute, convey or otherwise transfer to Parent, in the manner determined by Parent, all cash and cash equivalents held by SpinCo or any member of the SpinCo Group other than the SpinCo Cash Amount, as partial consideration for the transfer of SpinCo Assets to SpinCo in the Contribution pursuant to Section 2.1 (such distribution, conveyance or transfer, the "Cash Transfer"); provided that, prior to the Effective Time, Parent, in its sole and absolute discretion, may cause SpinCo to issue to Parent, as partial consideration for the transfer of SpinCo Assets to SpinCo in the Contribution pursuant to Section 2.1, debt instruments of SpinCo on terms and conditions determined by Parent, in its sole and absolute discretion (any such debt instruments, the "Exchange Debt") to effect a debt-for-debt exchange transaction (a "Debt-For-Debt Exchange"). In the event that Parent determines that SpinCo shall issue the Exchange Debt to Parent, then (A) the amount of the Cash Transfer shall be equal to (1) the amount of the Cash Transfer if the Exchange Debt had not been issued, *less* (2) the principal amount of any such Exchange Debt, and (B) Parent shall effect the Debt-For-Debt Exchange. The Cash Transfer, taken together with the issuance of the Exchange Debt, if applicable, shall be referred to as the "SpinCo-to-Parent Distribution Transaction"). Parent and SpinCo agree to take all necessary actions to assure the full release and discharge of Parent and the other members of the Parent Group from all obligations pursuant to the SpinCo Financing Arrangements as of no later than the Effective Time.

(b) Prior to the Effective Time, Parent and SpinCo shall cooperate in the preparation of all materials as may be necessary or advisable to execute the SpinCo Financing Arrangements.

(c) If the Exchange Debt is issued to Parent, then following such issuance and until the Debt-for-Debt Exchange is fully consummated, SpinCo shall, and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause its and their Representatives to, provide all cooperation that is necessary, customary or advisable and reasonably requested by Parent to assist the consummation of the Debt-for-Debt Exchange and any transactions in connection therewith including: (i) participating in meetings, presentations and due diligence sessions, (ii) assisting with the preparation of materials for presentations, memoranda and similar documents required in connection with such transactions, (iii) providing any financial information and other information about SpinCo and its Subsidiaries reasonably requested by Parent and (iv) causing its auditors to provide customary cooperation, including comfort letters and authorization letters, in connection with any such transactions.

2.13 Financial Information Certifications. Parent's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo as its Subsidiary. In order to enable the principal executive officer and principal financial officer of SpinCo to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002 following the Distribution in respect of any quarterly or annual fiscal period of SpinCo that begins on or prior to the Distribution Date in respect of which financial statements are not included in the Form 10 (a "Straddle Period"), Parent, on or before the date that is ten (10) days prior to the latest date on which SpinCo may file the periodic report pursuant to Section 13 of the Exchange Act for any such Straddle Period (not taking into account any possible extensions), shall provide SpinCo with one (1) or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financial reporting, which certification(s) shall (x) be with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Distribution Date) and (y) be in substantially the same form as those that had been provided by officers or employees of Parent in similar certifications delivered prior to the Distribution Date, with such changes thereto as Parent may reasonably determine. Such certification(s) shall be provided by Parent (and not by any officer or employee in their individual capacity).

2.14 Transition Committee. Prior to the Effective Time, the Parties shall establish a transition committee (the "Transition Committee") that shall consist of an equal number of members from Parent and SpinCo. The Transition Committee shall be responsible for monitoring and managing all matters related to any of the transactions contemplated by this Agreement or any Ancillary Agreements. The Transition Committee shall have the authority to (a) establish one or more subcommittees from time to time as it deems appropriate or as may be described in any Ancillary Agreements, with each such subcommittee comprised of one or more members of the Transition Committee or one or more employees of either Party or any member of its respective Group, and each such subcommittee having such scope of responsibility as may be determined by the Transition Committee from time to time; (b) delegate to any such subcommittee any of the powers of the Transition Committee; and (c) combine, modify the scope of responsibility of, and disband any such subcommittee; and (d) modify or reverse any such delegations. The Transition Committee shall establish general procedures for managing the responsibilities delegated to it under this Section 2.14, and may modify such procedures from time to time. All decisions by the Transition Committee or any subcommittee thereof shall be effective only if mutually agreed by both Parties. The Parties shall use the procedures set forth in Article VII to resolve any matters as to which the Transition Committee is not able to reach a decision.

ARTICLE III
THE DISTRIBUTION

3.1 Sole and Absolute Discretion; Cooperation.

(a) Parent shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, Parent may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Parent's right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) SpinCo shall cooperate with Parent to accomplish the Distribution and shall, at Parent's direction, promptly take any and all actions, necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of SpinCo Shares on the Form 10. Parent shall select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Parent. SpinCo and Parent, as the case may be, will provide to the Distribution Agent any information required in order to complete the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to NYSE*. Parent shall, to the extent possible, give the NYSE not less than ten (10) days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *SpinCo Certificate of Incorporation and SpinCo Bylaws*. On or prior to the Distribution Date, Parent and SpinCo shall take all necessary actions so that, as of the Effective Time, the SpinCo Certificate of Incorporation and the SpinCo Bylaws shall become the certificate of incorporation and bylaws of SpinCo, respectively.

(c) *SpinCo Directors and Officers*. On or prior to the Distribution Date, Parent and SpinCo shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of SpinCo shall be those set forth in the Information Statement made available to the Record Holders prior to the Distribution Date, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the Parent Board and/or as an executive officer of Parent; and (iii) SpinCo shall have such other officers as SpinCo shall appoint.

(d) *Selected Stock Exchange Listing*. SpinCo shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the SpinCo Shares to be distributed in the Distribution on the Selected Stock Exchange, subject to official notice of distribution.

(e) *Securities Law Matters*. SpinCo shall file any amendments or supplements to the Form 10 as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Parent and SpinCo shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Parent and SpinCo will prepare, and SpinCo will, to the extent required under applicable Law, file with the SEC, any such documentation and any requisite no-action letters which Parent determines are necessary or desirable to effectuate the Distribution, and Parent and SpinCo shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Parent and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(f) *Availability of Information Statement*. Parent shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Parent Board has approved the Distribution, cause the Information Statement to be made available to the Record Holders.

(g) *The Distribution Agent*. Parent shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(h) *Stock-Based Employee Benefit Plans*. Parent and SpinCo shall take all actions as may be necessary to approve the grants of adjusted equity awards by Parent (in respect of Parent Shares) and SpinCo (in respect of SpinCo Shares) in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by Parent in its sole and absolute discretion, of the following conditions:

(i) The SEC shall have declared effective the Form 10; no order suspending the effectiveness of the Form 10 shall be in effect; and no proceedings for such purposes shall have been instituted or threatened by the SEC;

(ii) The Information Statement shall have been made available to the Record Holders;

(iii) Parent shall have received an opinion from Parent's outside tax counsel satisfactory to the Parent Board, regarding the qualification of the Contribution and the Distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, and such opinion shall not have been withdrawn or rescinded;

(iv) Parent shall have received a private letter ruling from the U.S. Internal Revenue Service to the effect that the Contribution and the Distribution, taken together, constitute a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, and such private letter ruling shall not have been withdrawn or rescinded;

(v) The transfer of the SpinCo Assets (other than any Delayed SpinCo Asset) and SpinCo Liabilities (other than any Delayed SpinCo Liability) contemplated to be transferred from Parent to SpinCo on or prior to the Distribution shall have occurred as contemplated by Section 2.1, and the transfer of the Parent Assets (other than any Delayed Parent Asset) and Parent Liabilities (other than any Delayed Parent Liability) contemplated to be transferred from SpinCo to Parent on or prior to the Distribution Date shall have occurred as contemplated by Section 2.1, in each case pursuant to the Separation Step Plan;

(vi) An independent appraisal firm acceptable to Parent shall have delivered one (1) or more opinions to the Parent Board confirming the solvency and financial viability of Parent prior to the Distribution and of Parent and SpinCo after consummation of the Distribution, and such opinions shall be acceptable to Parent in form and substance in Parent's sole discretion and such opinions shall not have been withdrawn or rescinded;

(vii) The actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority;

(viii) Each of the Ancillary Agreements shall have been duly executed and delivered by the applicable parties thereto;

(ix) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto shall be pending or in effect;

(x) The SpinCo Shares to be distributed to the Parent shareholders in the Distribution shall have been accepted for listing on the Selected Stock Exchange, subject to official notice of distribution;

(xi) SpinCo shall have consummated the SpinCo Financing Arrangements in accordance with Section 2.12(a), and Parent shall be satisfied in its sole and absolute discretion that, as of the Effective Time, it shall have no Liability whatsoever under the SpinCo Financing Arrangements;

(xii) The SpinCo-to-Parent Distribution Transaction shall have occurred in accordance with Section 2.12(a); and

(xiii) No other events or developments shall exist or shall have occurred that, in the judgment of the Parent Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement or any Ancillary Agreement.

(b) The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent Board to waive or not waive any such condition or in any way limit Parent's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the Parent Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the Parties. If Parent waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

3.4 The Distribution.

(a) Subject to Section 3.3, on or prior to the Effective Time, SpinCo will deliver to the Distribution Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding SpinCo Shares as is necessary to effect the Distribution, and shall cause the transfer agent for the Parent Shares to instruct the Distribution Agent to distribute at the Effective Time the appropriate number of SpinCo Shares to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. SpinCo will not issue paper stock certificates in respect of the SpinCo Shares. The Distribution shall be effective at the Effective Time.

(b) Subject to Sections 3.3 and 3.4(c), each Record Holder will be entitled to receive in the Distribution one (1) SpinCo Share for every five (5) Parent Shares held by such Record Holder on the Record Date, rounded down to the nearest whole number.

(c) No fractional shares will be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional share interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of SpinCo. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.4(c), would be entitled to receive a fractional share interest of a SpinCo Share pursuant to the Distribution, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Effective Time, Parent shall direct the Distribution Agent to determine the number of whole and fractional SpinCo Shares allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Distribution Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and

distribution, including brokers fees and commissions. None of Parent, SpinCo or the Distribution Agent will be required to guarantee any minimum sale price for the fractional SpinCo Shares sold in accordance with this Section 3.4(c). Neither Parent nor SpinCo will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Distribution Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Parent or SpinCo. Solely for purposes of computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of Parent Shares held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

(d) Any SpinCo Shares or cash in lieu of fractional shares with respect to SpinCo Shares that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to SpinCo, and SpinCo or its transfer agent on its behalf shall hold such SpinCo Shares and cash for the account of such Record Holder, and the Parties agree that all obligations to provide such SpinCo Shares and cash, if any, in lieu of fractional share interests shall be obligations of SpinCo, subject in each case to applicable escheat or other abandoned property Laws, and Parent shall have no Liability with respect thereto.

(e) Until the SpinCo Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Effective Time, SpinCo will regard the Persons entitled to receive such SpinCo Shares as record holders of SpinCo Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends, if any, payable on, and exercise voting rights and all other rights and privileges with respect to, the SpinCo Shares then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the SpinCo Shares then held by such holder.

3.5 SpinCo Shares Issued to Parent Subsidiary. In the event that any SpinCo Shares are distributed in the Distribution to a Subsidiary of Parent that is a member of the Parent Group, then, as promptly as practicable following such Subsidiary's receipt of such SpinCo Shares, Parent shall acquire such SpinCo Shares in exchange for an amount of cash equal to the fair market value of such SpinCo Shares as of the Distribution Date, as determined by Parent. As promptly as practicable following such acquisition, Parent shall transfer such SpinCo Shares to SpinCo for no consideration, and such SpinCo Shares shall be cancelled and cease to be outstanding. The Parties acknowledge and agree that, for U.S. federal income tax purposes, (a) the transitory existence of such SpinCo Shares is intended to be disregarded, and (b) Parent's payment of cash to such Subsidiary is intended to be treated as a distribution of property described in Section 301 of the Code.

ARTICLE IV
MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Distribution Claims.

(a) *SpinCo Release of Parent.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Effective Time, SpinCo does hereby, for itself and each other member of the SpinCo Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Parent and the members of the Parent Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been stockholders, directors, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of SpinCo or a member of the SpinCo Group, in each case from: (A) all SpinCo Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities.

(b) *Parent Release of SpinCo.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Effective Time, Parent does hereby, for itself and each other member of the Parent Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) SpinCo and the members of the SpinCo Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from (A) all Parent Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Parent Business, the Parent Assets or the Parent Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Parent Group or any members of the SpinCo Group that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iv) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(v) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Parent Group from honoring its existing obligations to indemnify any director, officer or employee of SpinCo who was a director, officer or employee of any member of the Parent Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a SpinCo Liability, SpinCo shall indemnify Parent for such Liability (including Parent's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* SpinCo shall not make, and shall not permit any other member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Parent or any other member of the Parent Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Parent shall not make, and shall not permit any other member of the Parent Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by SpinCo. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, SpinCo shall, and shall cause the other members of the SpinCo Group to, indemnify, defend and hold harmless Parent, each member of the Parent Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Parent Indemnitees"), from and against any and all Liabilities of the Parent Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any SpinCo Liability;

(b) any failure of SpinCo, any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any of the Ancillary Agreements;

(d) except to the extent it relates to a Parent Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the SpinCo Group by any member of the Parent Group that survives following the Distribution; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in clause (e) of Section 4.3.

4.3 Indemnification by Parent. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Parent shall, and shall cause the other members of the Parent Group to, indemnify, defend and hold harmless SpinCo, each member of the SpinCo Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "SpinCo Indemnitees"), from and against any and all Liabilities of the SpinCo Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Parent Liability;

(b) any failure of Parent, any other member of the Parent Group or any other Person to pay, perform or otherwise promptly discharge any Parent Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Parent or any other member of the Parent Group of this Agreement or any of the Ancillary Agreements;

(d) except to the extent it relates to a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Parent Group by any member of the SpinCo Group that survives following the Distribution; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Parent's name in the Form 10, the Information Statement (as amended or supplemented if SpinCo shall have furnished any amendments or supplements thereto) or any other Disclosure Document; it being agreed that the statements set forth on Schedule 4.3(e) shall be the only statements made explicitly in Parent's name in the Form 10, the Information Statement or any other Disclosure Document, and all other information contained in the Form 10, the Information Statement or any other Disclosure Document shall be deemed to be information supplied by SpinCo.

4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of such Liability, then within ten (10) calendar days of receipt of such Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the Effective Time, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Parent Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within fourteen (14) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim; provided that, prior to the Indemnifying Party assuming and controlling the defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee are true, the Indemnifying Party shall indemnify the Indemnitee for any such damages to the extent resulting from, or arising out of, such Third-Party-Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in any or all

material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs*. If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable and documented fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that does not elect to defend any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any outside legal counsel to the Indemnitee reasonably determines in good faith that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ one firm of separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and in such case the Indemnifying Party shall bear the reasonable and documented fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages that are fully payable by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party delivers the other Party a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within ten (10) business days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Tax Matters Agreement Governs.* The above provisions of this Section 4.5 and the provisions of Section 4.6 do not apply to Taxes (it being understood and agreed that Taxes and Tax matters, including the control of Tax-related proceedings, shall be governed by the Tax Matters Agreement). In the case of any conflict between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall prevail.

4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the

amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed SpinCo Assets or Delayed SpinCo Liabilities (except for the gross negligence or intentional misconduct of a member of the Parent Group) or with the ownership, operation or activities of the SpinCo Business prior to the Effective Time shall be deemed to be the fault of SpinCo and the other members of the SpinCo Group, and no such fault shall be deemed to be the fault of Parent or any other member of the Parent Group; (ii) any fault associated with the business conducted with Delayed Parent Assets or Delayed Parent Liabilities (except for the gross negligence or intentional misconduct of a member of the SpinCo Group) shall be deemed to be the fault of Parent and the other members of the Parent Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group; and (iii) any fault associated with the ownership, operation or activities of the Parent Business prior to the Effective Time shall be deemed to be the fault of Parent and the other members of the Parent Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any SpinCo Liabilities by SpinCo or a member of the SpinCo Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any Parent Liabilities by Parent or a member of the Parent Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Parent and SpinCo and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

ARTICLE V
CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) Parent and SpinCo agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall Parent, any other member of the Parent Group or any Parent Indemnitee have Liability or obligation whatsoever to any member of the SpinCo Group in the event that any (i) insurance policy or insurance policy related contract shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the SpinCo Group for any reason whatsoever or shall be cancelled, not renewed or not extended beyond the current expiration date or (ii) any insurer declines, denies, delays or obstructs any claim payment.

(b) With the sole exception of incidents occurring prior to the Effective Time and which would be otherwise covered under the automobile liability, property, transit, general and products liability, employers' liability, workers compensation or umbrella insurance policies of Parent or any member of the Parent Group or any other insurance policy as set forth on Schedule 5.1(b) (collectively, the "Covered Policies") from and after the Effective Time, SpinCo, any member of the SpinCo Group or any of their respective employees (including former or inactive employees) shall cease be insured by, shall have no access or availability to or under, shall not be entitled to make claims on or under and shall not be entitled to claim benefits from or seek coverage under, and shall not have any rights to or under, any of Parent's or any member of the Parent Group's insurance policies or any of their respective self-insured programs in place immediately prior to the Effective Time. Solely with respect to the Covered Policies, from and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the SpinCo Group prior to the Effective Time, Parent will provide SpinCo with access to, and SpinCo may make claims under, the Covered Policies in place immediately prior to the Effective Time, but solely to the extent that such policies provided coverage for members of the SpinCo Group or the SpinCo Business prior to the Effective Time; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms, conditions and exclusions of such insurance policies, including any limits on coverage or scope, any deductibles, self-insured retentions and other fees and expenses, and shall be subject to the following additional conditions:

(i) SpinCo shall notify Parent's Director of Risk Management (or such other Person of Parent if there is no Director of Risk Management), as promptly as practicable, of any incident, circumstance or occurrence that may lead to a claim made by SpinCo pursuant to this Section 5.1(b);

(ii) SpinCo shall reimburse Parent and the members of the Parent Group for all claim-related payments made by Parent or any member of the Parent Group on or after the Effective Time that arise from claims made by SpinCo, any member of the SpinCo Group, any of their respective employees or any Third Party under Parent's or any member of the Parent Group's self-insured, large deductible, or fronted insurance programs for occurrences prior to the Effective Time, including overhead, claim handling and administrative costs, taxes, surcharges, state assessments and other related costs. SpinCo and the members of the SpinCo Group shall indemnify, hold harmless and reimburse Parent and the members of the Parent Group for any deductibles, self-insured retention, fees, indemnity payments, settlements, judgments, legal fees, allocated claims expenses and claim handling fees, and other expenses incurred by Parent or any members of the Parent Group to the extent resulting from any access to, or any claims made by SpinCo or any other members of the SpinCo Group under, any of Parent's or a member of the Parent Group's insurance policies provided pursuant to this Section 5.1(b), whether such claims are made by SpinCo, its employees or Third Parties; and

(iii) SpinCo shall exclusively bear (and neither Parent nor any members of the Parent Group shall have any obligation to repay or reimburse SpinCo or any member of the SpinCo Group for) and shall be liable for all excluded, uninsured, uncovered, unavailable or uncollectible amounts (including where any insurer declines, denies, delays or obstructs any claim payment) of all such claims made for the benefit of SpinCo or any member of the SpinCo Group under the policies as provided for in this Section 5.1(b). Where a policy includes a reinstatement of limits, in the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the SpinCo Group, on the one hand, and the Parent Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to Parent's insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that the Parent Group or the SpinCo Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to Parent's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, a Party may elect not to reinstate the policy aggregate even if available. In the event that a Party elects not to reinstate the policy aggregate, it shall provide prompt written notice to the other Party and shall have no rights to claim against or have any benefit from the reinstated limits. A Party which elects to reinstate the policy aggregate shall be responsible for all reinstatement premiums and other costs associated with such reinstatement to the extent such Party has received notice from the other Party that such other Party does not elect to reinstate the limits.

In the event that any member of the Parent Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such member of the Parent Group is entitled to coverage under SpinCo's third-party insurance policies, the same process pursuant to this Section 5.1(b) shall apply, substituting "Parent" for "SpinCo" and "SpinCo" for "Parent", including for purposes of the first sentence of Section 5.1(e).

(c) At the Effective Time, SpinCo shall have in effect all insurance programs required to comply with SpinCo's contractual obligations and such other Policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to SpinCo's.

(d) Neither SpinCo nor any member of the SpinCo Group, in connection with making a claim under any insurance policy of Parent or any member of the Parent Group pursuant to this Section 5.1, shall take any action that would be reasonably likely to (i) have a material and adverse impact on the then-current relationship between Parent or any member of the Parent Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or materially reducing coverage, or materially increasing the amount of any premium owed by Parent or any member of the Parent Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere in any material respect with the rights of Parent or any member of the Parent Group under the applicable insurance policy; provided that SpinCo's, any member of the SpinCo Group's, any of their respective employees' or any Third Party's making of a claim pursuant to Section 5.1(b)(ii) shall not be deemed to be an action that triggers the foregoing clauses (i), (ii) or (iii).

(e) Any payments, costs, adjustments or reimbursements to be paid by SpinCo pursuant to this Section 5.1 shall be billed quarterly and payable within thirty (30) days from receipt of an invoice from Parent. Parent shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buyback or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any SpinCo Liabilities and/or claims SpinCo has made or could make in the future, and no member of the SpinCo Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Parent's insurers with respect to any of Parent's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. SpinCo shall cooperate with Parent and share such information as is reasonably necessary in order to permit Parent to manage and conduct its insurance matters as Parent deems appropriate. Each Party and any member of its applicable Group has the sole right to settle or otherwise resolve third-party claims made against it or any member of its applicable Group covered under an applicable insurance policy.

(f) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Parent Group in respect of any insurance policy or any other contract or policy of insurance.

(g) SpinCo does hereby, for itself and each other member of the SpinCo Group, agree that no member of the Parent Group shall have any Liability whatsoever as a result of the insurance policies and practices of Parent and the members of the Parent Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within ten (10) days of a notice of non-payment) shall accrue interest at a rate per annum equal to eight percent (8%).

5.3 Treatment of Payments for Tax Purposes. For all applicable Tax purposes, the Parties agree to treat any payment required by this Agreement as set forth in Section 5.4 of the Tax Matters Agreement.

5.4 Inducement. SpinCo acknowledges and agrees that Parent's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by SpinCo's covenants and agreements in this Agreement and the Ancillary Agreements, including SpinCo's assumption of the SpinCo Liabilities pursuant to the Separation and the provisions of this Agreement and SpinCo's covenants and agreements contained in Article IV.

5.5 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

ARTICLE VI
EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Parent and SpinCo, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group requests to the extent that (i) such information relates to the SpinCo Business, or any SpinCo Asset or SpinCo Liability, if SpinCo is the requesting Party, or to the Parent Business, or any Parent Asset or Parent Liability, if Parent is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 shall expand the obligations of either Party under Section 6.4.

(b) Without limiting the generality of the foregoing, until the end of the SpinCo fiscal year during which the Distribution Date occurs (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness

of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements) or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control at the Effective Time in substantial accordance with the policies of Parent as in effect at the Effective Time or such other policies as may be adopted by Parent after the Effective Time (provided that Parent notifies SpinCo in writing of any such change). Notwithstanding the foregoing, the Tax Matters Agreement will exclusively govern the retention of Tax-related records and the exchange of Tax-related information, and the Employee Matters Agreement will exclusively govern the retention of employment and benefits related records.

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith, fraud or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to a request for information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of a Dispute between Parent and SpinCo, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property Rights and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property Rights of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person or the employer of such person could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the Parent Group and the SpinCo Group, and that each of the members of the Parent Group and the SpinCo Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the Parent Group or the SpinCo Group, as the case may be. In furtherance of the foregoing, each Party shall authorize the delivery to and/or retention by the other Party of materials existing as of the Effective Time that are necessary for such other Party to perform such services.

(b) The Parties agree as follows:

(i) Parent shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Parent Business and not to the SpinCo Business, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group. Parent shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Parent Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Parent Group or any member of the SpinCo Group;

(ii) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the SpinCo Business and not to the Parent Business, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group. SpinCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any SpinCo Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Parent Group; and

(iii) If the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to the Parent Business, solely to the SpinCo Business, or to both the Parent Business and the SpinCo Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one (1) or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Groups regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Groups, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any Dispute between Parent and SpinCo, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided that the Parties intend such waiver of a shared privilege to be effective only as to the use of information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and is not intended to operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of Parent and SpinCo set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups as needed pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, and without prejudice to any longer period that may be provided for in any of the Ancillary Agreements, from and after the Effective Time until the three (3)-year anniversary of the Effective Time, each of Parent and SpinCo, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves known by such Party (or any member of such Party's Group) to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. Notwithstanding the foregoing three (3)-year period, Parent's and SpinCo's obligations with respect to confidential and proprietary information that constitutes Trade Secrets shall survive and continue for so long as such confidential and proprietary information retains its status as a Trade Secret. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that the Parties may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of, or legally-protected personal information (including personal health information) relating to, Third Parties (i) that was received under privacy policies or notices and/or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by privacy policies or notices, as well as applicable data privacy Laws or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or legally-protected personal information (including personal health information) relating to, Third Parties in accordance with the obligations outlined in the applicable privacy policies or notices and applicable data privacy Laws or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand, including as set forth in the Data Agreement.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other

Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII
DISPUTE RESOLUTION

7.1 Transition Committee. Subject to Section 7.5, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (including regarding whether any Assets are SpinCo Assets or Parent Assets, any Liabilities are SpinCo Liabilities or Parent Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute"), shall provide written notice thereof to the Transition Committee (the "Initial Notice"). Following the delivery of the Initial Notice, the Transition Committee shall attempt to resolve the Dispute through the procedures it is empowered to adopt in accordance with Section 2.14. If the Transition Committee is unable for any reason to resolve a Dispute within thirty (30) days after the delivery of the Initial Notice, the Parties shall enter into good-faith negotiations in accordance with Section 7.2 and Section 7.3.

7.2 Good-Faith Officer Negotiation. If a Dispute is not resolved pursuant to Section 7.1, the Transition Committee shall provide written notice thereof to each Party (the "Officer Negotiation Request"). Within thirty (30) days of the delivery of the Officer Negotiation Request, the Parties shall attempt to resolve the Dispute through good faith negotiation. All such negotiations shall be conducted by executives who hold, at a minimum, the title of Senior Vice President and who have authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within thirty (30) days of receipt of the Officer Negotiation Request, and such thirty (30) day period is not extended by mutual written consent of the Parties, the Chief Executive Officers of the Parties shall enter into good faith negotiations in accordance with Section 7.3.

7.3 CEO Negotiation. If any Dispute is not resolved pursuant to Section 7.2, the Transition Committee shall provide written notice of such Dispute to the Chief Executive Officer of each Party (a "CEO Negotiation Request"). As soon as reasonably practicable following receipt of a CEO Negotiation Request, the Chief Executive Officers of the Parties shall begin conducting good faith negotiations with respect to such Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Chief Executive Officers of the Parties are unable for any reason to resolve a Dispute within thirty (30) days of receipt of a CEO Negotiation Request, and such thirty (30) day period is not extended by mutual written consent of the Parties, the Dispute shall be submitted to mediation in accordance with Section 7.4.

7.4 Mediation. In the event that a Dispute has not been resolved within thirty (30) days of the receipt of a CEO Negotiation Request in accordance with Section 7.3, or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the "Mediation Request"), be submitted to mandatory mediation in accordance with the International Institute for Conflict Prevention & Resolution ("CPR") Mediation Procedure (the "Procedure") then in effect, except as modified herein. The mediation shall be held in (i) Franklin Lakes, New Jersey, if the Parties each maintain corporate headquarters in such city at the time a Mediation Request is submitted, (ii) New York City, New York, or (iii) such other place as the Parties may mutually agree in writing. The parties shall have fifteen (15) days from receipt of a Mediation Request to agree on a mediator. If no mediator has been agreed upon by the Parties within fifteen (15) days of receipt of a Mediation Request, then any Party may request (on written notice to the other Party) that CPR appoint a mediator in accordance with the Procedure. If the Dispute has not been resolved within thirty (30) days of the appointment of a mediator, or within such longer period as the Parties may agree to in writing, either Party may commence litigation in accordance with Section 10.2; provided, however, that if one Party fails to participate in the mediation, the other Party may commence litigation in accordance with Section 10.2 prior to the expiration of the time periods set forth above.

7.5 Litigation. Notwithstanding the foregoing provisions of this Article VII, a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1, Section 7.2, Section 7.3 and Section 7.4 if such action is reasonably necessary to avoid irreparable damage.

7.6 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the SpinCo Assets and the Parent Assets and the assignment and assumption of the SpinCo Liabilities and the Parent Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the requesting Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Parent and SpinCo in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Parent, SpinCo or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Parent and SpinCo, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of SpinCo or any other member of the SpinCo Group, on the one hand, or of Parent or any other member of the Parent Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

8.2 Use of the BD Name and BD Marks. SpinCo undertakes to (and to cause the members of the SpinCo Group to) discontinue the use of the name “BD” and the related trademark symbol as soon as reasonably practicable after the Effective Time, but in any case not longer than a two (2)-year period commencing on the Distribution Date, except in the case of a Deferred SpinCo Local Business, in which case not longer than a two (2)-year period commencing on the date of the local closing applicable to such Deferred SpinCo Local Business; provided that the applicable two (2)-year period shall be extended if required by applicable regulatory requirements, but for no longer than the minimum period required by such regulatory requirements (the “Transition Period”). Notwithstanding the foregoing, effective as of the Effective Time, Parent, on behalf of itself and its Affiliates, hereby grants to the members of the SpinCo Group a non-exclusive, sublicenseable, worldwide and royalty-free license to use and

have used the name “BD”, “Becton Dickinson” and the related trademark symbol in legal entity names, for the sale of inventory (including both finished and unfinished inventory) containing such name or trademark applied to such products created and for the related regulatory registrations for such inventory: (a) prior to the Effective Time and (b) during the Transition Period; provided, that SpinCo shall (and shall cause the members of the SpinCo Group and its sublicensees to) use such name or trademark at a level of quality equivalent to that in effect as of the Effective Time. Nothing set forth in this Section 8.2 shall affect the SpinCo Group’s rights and obligations with respect to the Licensed BD Marks (as defined in the Intellectual Property Matters Agreement), which rights and obligations are dealt with exclusively in the Intellectual Property Matters Agreement.

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by Parent, in its sole and absolute discretion, without the approval or consent of any other Person, including SpinCo. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X
MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one (1) or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one (1) or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement and the Ancillary Agreements together govern the arrangements in connection with the Separation and the Distribution and would not have been entered into independently.

(c) Parent represents on behalf of itself and each other member of the Parent Group, and SpinCo represents on behalf of itself and each other member of the SpinCo Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

10.2 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies.

(b) Each Party hereto irrevocably agrees that any litigation relating to any Dispute with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, solely in the case that the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) (the "Chosen Courts"). Each of the Parties hereto hereby irrevocably submits with regard to any such Dispute for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the Chosen Courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the Chosen Courts. Each of the Parties hereto hereby

irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any Dispute with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the Chosen Courts, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by applicable Law, any claim that (A) the Dispute in such court is brought in an inconvenient forum, (B) the venue of such Dispute is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. To the fullest extent permitted by applicable Law, each Party hereto hereby consents to the service of process in accordance with Section 10.5; provided that (I) nothing herein shall affect the right of any Party to serve legal process in any other manner permitted by Law and (II) each such Party's consent to jurisdiction and service contained in this Section 10.2(b) is solely for the purpose referred to in this Section 10.2(b) and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

(c) EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable.

10.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement and each Ancillary Agreement of any Parent Indemnitee or SpinCo Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, shall be in writing and shall be given or made (and except as provided herein, shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, by electronic mail ("e-mail"), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to Parent, to:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

If to SpinCo, to:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel,
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

A Party may, by notice to the other Party, change the address to which such notices are to be given or made.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements, as applicable, as soon as reasonably practicable.

10.8 No Set-Off. Except as expressly set forth in any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

10.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all fees, costs and expenses incurred on or prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement, including the Separation and the Distribution, and any Ancillary Agreement, the Separation, the Form 10, the Information Statement, the Separation Step Plan and the consummation of the transactions contemplated hereby and thereby will be borne by the Party or its applicable Subsidiary incurring such fees, costs or expenses. The Parties agree that certain specified costs and expenses shall be allocated between the Parties as set forth on Schedule 10.9.

10.10 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.12 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.13 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.14 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.15 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) shall be deemed to include the exhibits, schedules and annexes (including all Schedules, Exhibits and Appendices) to such agreement; (e) the word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if"; (h) unless otherwise specified in a particular case, the word "days" refers to calendar days; (i) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Franklin Lakes, New Jersey; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to [ ], 2022.

10.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither SpinCo or any member of the SpinCo Group, on the one hand, nor Parent or any member of the Parent Group, on the other hand, shall be liable under this Agreement to the other for any indirect, incidental, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

10.17 Performance. Parent will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Parent Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SpinCo Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.18 Mutual Drafting; Precedence.

(a) This Agreement and the Ancillary Agreements shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

(b) In the event of any conflict or inconsistency between, on the one hand, the terms of this Agreement and, on the other hand, the terms of the Ancillary Agreements (other than the Data Agreement and the Transfer Documents) (each, a "Specified Ancillary Agreement"), the terms of the applicable Specified Ancillary Agreement shall control with respect to the subject matter addressed by such Specified Ancillary Agreement to the extent of such conflict or inconsistency. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Data Agreement or the Transfer Agreements, the terms of this Agreement shall control to the extent of such conflict or inconsistency.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives as of the date first written above.

BECTON, DICKINSON AND COMPANY

By: _____
Name:
Title:

EMBECTA CORP.

By: _____
Name:
Title:

[Signature Page to Separation and Distribution Agreement]

Exhibit 10.1

FORM OF TRANSITION SERVICES AGREEMENT

BY AND BETWEEN

BECTON, DICKINSON AND COMPANY

AND

EMBECTA CORP.

DATED AS OF [ ], 2022

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TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of [ ], 2022 (this "Agreement"), is by and between Becton Dickinson and Company, a New Jersey corporation ("Parent"), and Embecta Corp., a Delaware corporation ("SpinCo").

R E C I T A L S:

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, in order to effectuate the Separation and the Distribution, Parent and SpinCo have entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation and Distribution Agreement");

WHEREAS, in order to facilitate and provide for an orderly transition in connection with the Separation and the Distribution, the Parties desire to enter into this Agreement which sets forth the terms of certain relationships and other agreements among the Parties as set forth herein; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and Distribution, are being entered together, and would not have been entered independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Additional Services" shall have the meaning set forth in Section 2.01(b).

"Affiliate" has the meaning set forth in the Separation and Distribution Agreement.

"Agreement" has the meaning set forth in the Preamble.

"Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Applications" means those software applications expressly set forth on Schedule C. All Applications shall be hosted and used exclusively on or through the Host System throughout the term of this Agreement.

"Charge" and "Charges" have the meaning set forth in Section 2.03.

"Confidential Information" shall mean all Information that is either confidential or proprietary.

"Connection Agreement" means the Connection Agreement by and between Service Recipient and Service Provider attached hereto as Schedule B.

"COVID-19" shall mean SARS-CoV-2 or COVID-19, and any evolutions, variants, mutations or worsening thereof or related or associated epidemics, pandemics or disease outbreaks (including any subsequent waves).

"Dispute" has the meaning set forth in Section 8.16(a).

"Distribution" has the meaning set forth in the Recitals.

"Distribution Date" shall mean the date of the consummation of the Distribution, which shall be determined by the Parent Board in its sole and absolute discretion.

"Effective Time" shall mean 12:01 a.m., New York City time, on the Distribution Date.

"e-mail" shall have the meaning set forth in Section 8.10.

"Excluded Service" shall mean any service or function set forth in Schedule A hereto or any other service or function that the Parties had mutually agreed would not be provided under the terms of this Agreement.

"Force Majeure" shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including

COVID-19 and Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure**.**

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Host Systems" shall mean those information technology systems and platforms selected by Service Provider (a) to host the Applications or (b) for use in connection with the performance of Services.

"Information" shall mean information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data; provided that Information does not include Intellectual Property Rights.

"Intellectual Property Rights" has the meaning set forth in the Separation and Distribution Agreement.

"Interest Payment" has the meaning set forth in Section 4.02.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Level of Service" has the meaning set forth in Section 2.02(c).

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree,

stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Local Agreement" has the meaning set forth in Section 2.08.

"Losses" shall mean actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Minimum Service Period" shall mean the period commencing on the Distribution Date and ending ninety (90) days after the Distribution Date, unless otherwise specified with respect to a particular service on the Schedules hereto.

"Pandemic Measures" shall mean any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, immunization requirements, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic, including COVID-19.

"Parent" has the meaning set forth in the Preamble.

"Parent Board" has the meaning set forth in the Recitals.

"Parent Business" has the meaning set forth in the Separation and Distribution Agreement.

"Parent Shares" shall mean the shares of common stock, par value $1.00 per share, of Parent.

"Parties" shall mean the parties to this Agreement.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Record Date" shall mean the close of business on the date to be determined by the Parent Board as the record date for determining holders of Parent Shares entitled to receive SpinCo Shares pursuant to the Distribution.

"Representatives" shall mean, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"Separation" has the meaning set forth in the Recitals.

"Separation and Distribution Agreement" has the meaning set forth in the Recitals.

"Service Baseline Period" has the meaning set forth in Section 2.02(c).

"Service Extension" has the meaning set forth in Section 5.03.

"Service Period" shall mean, with respect to any Service, the period commencing on the Distribution Date and ending on the earliest of (a) the date that a Party terminates the provision of such Service pursuant to Section 5.02, (b) the date that is the two (2)-year anniversary of the Distribution Date and (c) the date specified for termination of such Service in the Schedules hereto, unless extended pursuant to Section 5.03.

"Service Provider" shall mean, with respect to any Service, the Party providing such Service.

"Service Provider Indemnitees" has the meaning set forth in Section 7.03.

"Service Recipient" shall mean, with respect to any Service, the Party receiving such Service.

"Service Recipient Individual User" has the meaning set forth in the Connection Agreement.

"Services" has the meaning set forth in Section 2.01(a).

"Service Suspension Period" has the meaning set forth in Section 5.03.

"SpinCo" has the meaning set forth in the Preamble.

"SpinCo Business" has the meaning set forth in the Separation and Distribution Agreement.

"SpinCo Shares" shall mean the shares of common stock, par value $0.01 per share, of SpinCo.

"Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, fifty percent (50%) or more of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tax" shall mean any and all forms of taxation, whenever created or imposed by a Taxing Authority, and, without limiting the generality of the foregoing, shall include net income, alternative or add-on minimum, estimated, gross income, sales, use, ad valorem, gross receipts, value added, franchise, profits, license, transfer, recording, withholding, payroll, employment,

excise, severance, stamp, occupation, premium, property, windfall profit, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any related interest, penalties or other additions to tax, or additional amounts imposed by any such Taxing Authority.

"Taxing Authority" shall mean a national, foreign, municipal, state, federal or other Governmental Authority responsible for the administration of any Tax.

"Term" has the meaning set forth in Section 5.01.

"Termination Charges" shall mean, with respect to the termination of any Service pursuant to Section 5.02(a)(i), any and all costs, fees and expenses (other than any severance or retention costs, unless otherwise specified with respect to a particular Service on the Schedules hereto or in the other Ancillary Agreements) payable by Service Provider or its Subsidiaries to a Third Party to the extent resulting from the early termination of such Service.

"Third Party" shall mean any Person other than the Parties or any of their respective Affiliates.

"Third-Party Claim" shall mean any Action commenced by any Third Party against any Party or any of its Affiliates.

"Visit CDA" means the confidential disclosure agreement attached hereto as Schedule D.

ARTICLE II
SERVICES

Section 2.01. Services.

(a) Commencing as of the Effective Time, Service Provider agrees to provide, or to cause one or more of its Subsidiaries to provide, to Service Recipient, or any Subsidiary of Service Recipient, the applicable services (the "Services") set forth on the Schedules hereto.

(b) If, after the date of this Agreement, Service Recipient identifies a service (other than an Excluded Service) that Service Provider provided to Service Recipient within twelve (12) months prior to the Distribution Date that Service Recipient reasonably needs in order for the SpinCo Business or the Parent Business, as applicable, to continue to operate in substantially the same manner in which the SpinCo Business or the Parent Business, as applicable, operated prior to the Distribution Date, and such service was not included on the Schedules hereto (other than because the Parties agreed such service shall not be provided), and Service Recipient provides written notice to Service Provider within ninety (90) days after the Distribution Date requesting such additional services, then Service Provider shall use its commercially reasonable efforts to provide such requested additional services (such requested additional services, the "Additional Services"); provided, however, that Service Provider shall not be obligated to provide any Additional Service (A) if Service Provider does not, in its

reasonable judgment, have adequate resources to provide such Additional Service (taking into consideration any offer by Service Recipient to pay for such additional resources, subject to the limitations set forth in Section 2.09), (B) if the provision of such Additional Service would significantly disrupt the operation of Service Provider's or its Subsidiaries' businesses, (C) if the Parties are unable to reach agreement on the terms thereof (including with respect to Service Charges therefor), or (D) if Service Recipient is reasonably in a position to provide such Additional Services to itself or obtain such Additional Services from a Third Party on the same time frame as such services would be available from Service Provider. In connection with any request for Additional Services in accordance with this Section 2.01(b), the Parties shall in good faith negotiate the terms of a supplement to the applicable Schedule, which terms shall be consistent with the terms of, and the pricing methodology used for, similar Services provided under this Agreement. Upon the mutual written agreement of the Parties, the supplement to the applicable Schedule shall describe in reasonable detail the nature, scope, Service Period(s), termination provisions and other terms applicable to such Additional Services in a manner similar to that in which the Services are described in the existing Schedules. Each supplement to the applicable Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement and the Additional Services set forth therein shall be deemed "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 2.02. Performance of Services.

(a) Subject to Section 2.05, Service Provider shall perform, or shall cause one or more of its Affiliates to perform, all Services to be provided in a manner that is based on its past practice and that is substantially similar in nature, quality and timeliness to analogous services provided by Service Provider prior to the Effective Time.

(b) Nothing in this Agreement shall require Service Provider to perform or cause to be performed any Service to the extent that the manner of such performance would constitute a violation of any applicable Law or any existing contract or agreement with a Third Party. If Service Provider is or becomes aware of the potential for any such violation, Service Provider shall promptly advise Service Recipient of such potential violation, and the Parties will mutually seek an alternative that addresses such potential violation. The Parties agree to cooperate in good faith and use commercially reasonable efforts to obtain any necessary Third Party consents or sublicenses required under any existing contract or agreement with a Third Party to allow Service Provider to perform, or cause to be performed, all Services to be provided hereunder in accordance with the standards set forth in this Section 2.02. Service Recipient shall reimburse Service Provider for all reasonable out-of-pocket costs and expenses (if any) incurred by Service Provider or any of its Subsidiaries in connection with obtaining any such Third Party consent that is required to allow Service Provider to perform or cause to be performed such Services. If, with respect to a Service, the Parties, despite the use of such commercially reasonable efforts, are unable to obtain a required Third Party consent, or the performance of such Service by Service Provider would constitute a violation of any applicable Law, Service Provider shall have no obligation whatsoever to perform or cause to be performed such Service.

(c) Unless otherwise provided with respect to a specific Service on the Schedules hereto, Service Provider shall not be obligated to perform or to cause to be performed any Service in a manner that is materially more burdensome (with respect to service quality or quantity) than analogous services provided to BD or its applicable functional group or Subsidiary (collectively referred to as the "Level of Service") during the one year period ending on the last day of Service Provider's last fiscal quarter completed on or prior to the date of the Distribution (the "Service Baseline Period").

(d) (i) Neither Service Provider nor any of its Subsidiaries shall be required to perform or to cause to be performed any of the Services for the benefit of any Third Party or any other Person other than Service Recipient and its Subsidiaries, and (ii) EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 2.02, EACH PARTY ACKNOWLEDGES AND AGREES THAT ALL SERVICES ARE PROVIDED ON AN "AS-IS" BASIS, THAT SERVICE RECIPIENT ASSUMES ALL RISK AND LIABILITY ARISING FROM OR RELATING TO ITS USE OF AND RELIANCE UPON THE SERVICES, AND THAT SERVICE PROVIDER MAKES NO OTHER REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, WITH RESPECT TO THE SERVICES. SERVICE PROVIDER SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

(e) Each Party shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement. No Party shall knowingly take any action in violation of any such applicable Law that results in Liability being imposed on the other Party.

Section 2.03. Charges for Services. Unless otherwise provided with respect to a specific Service on the Schedules hereto, Service Recipient shall pay Service Provider a fee (either one-time or recurring) for such Services (or category of Services, as applicable) (each fee constituting a "Charge" and, collectively, "Charges"), which Charges shall be set forth on the applicable Schedules hereto. During the term of this Agreement, the amount of a Charge for any Service may be modified to the extent of (a) any adjustments mutually agreed to by the Parties, (b) any adjustments due to a change in Level of Service requested by Service Recipient and agreed upon by Service Provider, and (c) any adjustment in the rates or charges imposed by any Third Party provider that is providing Services; provided that Service Provider will notify Service Recipient in writing of any such change in rates at least thirty (30) days prior to the effective date of such rate change. Together with any invoice for Charges, Service Provider shall provide Service Recipient with reasonable documentation, including any additional documentation reasonably requested by Service Recipient to the extent that such documentation is in Service Provider's or its Subsidiaries' possession or control, to support the calculation of such Charges.

Section 2.04. Reimbursement for Out-of-Pocket Costs and Expenses. Service Recipient shall reimburse Service Provider for reasonable out-of-pocket costs and expenses incurred by Service Provider or any of its Subsidiaries in connection with providing the Services (including reasonable travel-related expenses) to the extent that such costs and expenses are not reflected in the Charges for such Services.

Section 2.05. Changes in the Performance of Services. Subject to the performance standards for Services set forth in Section 2.02(a), 2.02(b) and 2.02(c), Service Provider may make changes from time to time in the manner of performing the Services if Service Provider is making similar changes in performing analogous services for itself and if Service Provider furnishes to Service Recipient reasonable prior written notice (in content and timing) of such changes. If such change shall materially adversely affect the timeliness or quality of, or the Charges for, the applicable Service, Service Recipient shall be permitted to terminate the applicable specific Service pursuant to Section 5.02(a)(i) without being required to pay any Termination Charges pursuant to Section 5.05 for such Service.

Section 2.06. Transitional Nature of Services. The Parties acknowledge the transitional nature of the Services and that Service Recipient shall be responsible with respect to transitioning off of the provision of Services. Service Provider agrees to reasonably cooperate with Service Recipient, upon Service Recipient's written request, in the transition of the Services from Service Provider to Service Recipient (or its designee). Service Recipient agrees to use commercially reasonable efforts to reduce or eliminate its and its Affiliates' dependency on each Service to the extent and as soon as is reasonably practicable. Service Recipient shall transition responsibility for the performance of Services from Service Provider to Service Recipient in a manner that minimizes, to the extent reasonably possible, disruption to the Parent Business or the SpinCo Business, as applicable, and the continuing operations of Service Provider and its relevant Affiliates. Service Provider shall have no obligation to perform any Services following the Term. The Parties acknowledge and agree that time is of the essence with respect to the foregoing in this Section 2.06.

Section 2.07. Subcontracting. Service Provider may hire or engage one or more Third Parties to perform any or all of its obligations under this Agreement; provided, however, that Service Provider shall in all cases remain responsible (as primary obligor) for all of its obligations under this Agreement with respect to the scope of the Services, the performance standard for Services set forth in Section 2.02(a), 2.02(b) and 2.02(c) and the content of the Services provided to Service Recipient. Service Provider shall be liable for any breach of its obligations under this Agreement by any Third Party service provider engaged by Service Provider. Subject to the confidentiality provisions set forth in Article VI, Service Provider shall, and shall cause its Affiliates to, provide, upon fifteen (15) business days' prior written notice, any Information within Service Provider's or its Affiliates' control that Service Recipient reasonably requests in connection with any Services being provided to Service Recipient by a Third Party, including any applicable invoices, agreements documenting the arrangements between such Third Party and Service Provider and other supporting documentation; provided, further, however, that Service Recipient shall make no more than one such request per Third Party during any calendar quarter.

Section 2.08. Local Agreements. Each Party recognizes and agrees that it may be necessary or desirable to separately document certain matters relating to the Services provided hereunder in various jurisdictions from time to time or to otherwise modify the scope or nature of such Services, in each case to the extent necessary to comply with applicable Law. If such an agreement or modification of any of the Services is required by applicable Law, or if the applicable Parties mutually determine entry into such an agreement or modification of Services

would be desirable, in each case in order for Service Provider or its Subsidiaries to provide any of the Services in a particular jurisdiction, Service Provider and Service Recipient shall, or shall cause their applicable Subsidiaries to, to enter into local implementing agreements (as each may be amended and in effect from time to time, each a "Local Agreement") in form and content reasonably acceptable to the applicable Parties; provided that the execution or performance of any such Local Agreement shall in no way alter or modify any term or condition of this Agreement or the effect of any such term or condition, except to the extent expressly specified in such Local Agreement. Except as used in this Section 2.08, any references herein to this Agreement and the Services to be provided hereunder, shall include any Local Agreement and any local services to be provided thereunder. Except as expressly set forth in any Local Agreement, in the event of a conflict between the terms contained in a Local Agreement and the terms contained in this Agreement (including the applicable Schedules), the terms in this Agreement shall take precedence.

Section 2.09. Service Limitations. Notwithstanding any provision of this Agreement to the contrary:

(a) for purposes of this Agreement, except as and to the extent necessary for the receipt of any Services by Service Recipient or as otherwise set forth on a Schedule hereto and subject to Article III, Service Provider shall have no obligation to provide Service Recipient with access to or use of any Service Provider information technology systems, information technology, platforms, networks, applications, software databases or computer hardware;

(b) Service Provider shall not be obligated to provide and shall not be deemed to be providing any advisory services (including advice with respect to legal, financial, accounting, insurance, regulatory or tax matters) to Service Recipient or any of its Representatives as part of or in connection with the Services or otherwise;

(c) Service Provider shall have no obligation to prepare or deliver any notification or report to any Governmental Authority or other Person on behalf of Service Recipient or any of its Representatives except as set forth on the Schedules hereto; provided that Service Provider shall not deliver any such notification or report without Service Recipient's prior written consent;

(d) in no event shall Service Provider or its Affiliates have any obligation to favor Service Recipient or any of its Affiliates' operation of its businesses over its own business operations or those of its Affiliates;

(e) Service Provider shall not be required to hire any additional employees, maintain the employment of any one or more specific employees, or purchase, lease or license any additional equipment, software (including additional seats or instances under existing software license agreements) or other resources; and

(f) Service Provider shall not be required to bear or pay any costs related to the conversion of the Service Recipient's data at Service Recipient's request (other than any costs mutually agreed by Service Provider and Service Recipient, it being understood that, in agreeing to any such costs, the Parties shall take into account the time, effort and complexity of any action of Service Provider).

Section 2.10. System Shut Down. Service Provider shall have the right to shut down temporarily for maintenance or similar purposes the operation of any facilities or systems providing any Service whenever in Service Provider's reasonable judgment such action is necessary or advisable for general maintenance or emergency purposes; provided that without limiting the immediately following sentence, Service Provider will schedule non-emergency general maintenance impacting the Services so as not to materially disrupt the operation of the SpinCo Business or the Parent Business, as applicable, by Service Recipient. Service Provider will use commercially reasonable efforts to provide Service Recipient advance notice of any shut down for general maintenance purposes or other planned shut down.

Section 2.11. Use of Services. Service Provider shall not be required to provide Services to any Person other than Service Recipient and its Subsidiaries. Service Recipient shall not, and shall not permit its or any of its Subsidiaries' Representatives to, resell any Services to any Third Party or permit the use of any Services by any Third Party.

ARTICLE III
OTHER ARRANGEMENTS

Section 3.01. Access.

(a) Upon reasonable advance notice, SpinCo shall, and shall cause its Subsidiaries to, allow Parent and its Subsidiaries and their respective Representatives reasonable access during normal business hours to the facilities, Information, systems, infrastructure and personnel of SpinCo and its Subsidiaries as reasonably necessary for Parent and its Subsidiaries to fulfill their obligations under this Agreement and, as applicable, to verify the accuracy of internal controls over information technology, reporting of financial data and related processes employed in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided that (i) such access shall not unreasonably interfere with any of the business or operations of SpinCo or any of its Subsidiaries, (ii) in the event that SpinCo determines that providing such access could violate any applicable Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit such access in a manner that avoids any such consequence and (iii) no such access shall be permitted unless and until the Visit CDA shall have been executed by Parent and delivered to SpinCo. Parent agrees that all of its and its Subsidiaries' employees shall, and that it shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of SpinCo or its Subsidiaries, or when given access to any facilities, Information, systems, infrastructure or personnel of SpinCo or its Subsidiaries, conform to the policies and procedures of SpinCo and its Subsidiaries, as applicable, concerning health, safety, conduct and security which are made known or provided to Parent from time to time.

(b) Upon reasonable advance notice, Parent shall, and shall cause its Subsidiaries to, allow SpinCo and its Subsidiaries and their respective Representatives reasonable access during normal business hours to the facilities, Information, systems, infrastructure and personnel of Parent and its Subsidiaries as reasonably necessary for SpinCo to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services being provided, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided that (i) such access shall not unreasonably interfere with any of the business or operations of Parent or any of its Subsidiaries, (ii) in the event that Parent determines that providing such access could violate any applicable Law or agreement or waive any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit such access in a manner that avoids any such consequence and (iii) no such access shall be permitted unless and until the Visit CDA shall have been executed by SpinCo and delivered to Parent. SpinCo agrees that all of its and its Subsidiaries' employees shall, and that it shall use commercially reasonable efforts to cause its Representatives' employees to, when on the property of Parent or its Subsidiaries, or when given access to any facilities, Information, systems, infrastructure or personnel of Parent or its Subsidiaries, conform to the policies and procedures of Parent and its Subsidiaries, as applicable, concerning health, safety, conduct and security which are made known or provided to SpinCo from time to time.

(c) Subject to the terms and conditions of this Agreement, including the Connection Agreement during the term of this Agreement, Service Provider will permit Service Recipient and authorized Service Recipient Individual Users to access the Host Systems and the Applications (on or through the Host Systems), in each case, for the sole purpose of receiving, and solely to the extent necessary to receive, the Services as expressly contemplated by the Services themselves and in accordance with the terms and conditions expressly stated in this Agreement. Service Recipient Individual Users are authorized to access the Applications and the Host Systems with the prior permission of Service Provider and subject to the terms and conditions of this Agreement, including the foregoing sentence, and the Connection Agreement, and only to the extent that such authorized Service Recipient Individual Users have a need to access the Host Systems or use the Applications in order for the Service Recipient to receive the Services.

(d) Service Recipient shall not, and shall cause each of its Representatives and Service Recipient Individual Users not to, introduce or otherwise expose any Host System or any Application to any (a) computer code or instructions (e.g., malicious code or viruses) that may disrupt, damage, or interfere with the Host System or any Application or other software or firmware stored or operated thereon, (b) device that is capable of automatically or remotely stopping any Host System or Application from operating, in whole or in part (e.g., passwords, fuses or time bombs), (c) "back doors" or "trap doors" which allow for any access or bypassing of any security feature of the Host System or any Application or (d) any barriers designed for, or having the effect of, preventing Service Provider from accessing all or any portion of its systems, software or data. This Section 3.01(d) shall apply to Service Provider *mutatis mutandis* with respect to information and technology systems and platforms of Service Recipient if and to the extent accessed by Service Provider to provide Services hereunder.

(e) Service Recipient shall, at its sole expense (a) provide all network connectivity necessary for each of its Representatives and each Service Recipient Individual User to connect to the Host Systems (other than the connectivity that Service Provider shall provide as set forth on the Schedules hereto) and (b) comply, and cause each of its Representatives and each Service Recipient Individual User to comply, with the terms and

conditions set forth in the Service Provider Information Security Policy and Connection Agreement and in Sections 3.01(c), 3.01(d) and 3.01(e). This Section 3.01(e) shall apply to Service Provider *mutatis mutandis* with respect to information and technology systems and platforms of Service Recipient if and to the extent accessed by Service Provider to provide Services hereunder.

ARTICLE IV
BILLING; TAXES

Section 4.01. Procedure. Charges for the Services shall be charged to and payable by Service Recipient. Amounts payable pursuant to this Agreement shall be paid by wire transfer or Automated Clearing House payment (or such other method of payment as may be agreed between the Parties from time to time) to Service Provider (as directed by Service Provider), which amounts shall be due (a) in the case of recurring fees, on a monthly basis on or prior to the first day of the calendar month for which the applicable Service is to be provided, and (b) in the case of all other amounts, within thirty (30) days of Service Recipient's receipt of each invoice for Charges, including reasonable documentation pursuant to Section 2.03. All amounts due and payable hereunder shall be paid in U.S. dollars. In the event of any billing dispute, Service Recipient shall promptly pay any undisputed amount.

Section 4.02. Late Payments. Charges not paid when due pursuant to this Agreement and which are not disputed in good faith (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within ten (10) days of the receipt of a notice of non-payment from Service Provider) shall accrue interest at a rate per annum equal to eight percent (8%) (the "Interest Payment"). Failure to pay such Charges due hereunder within ten (10) days from receipt of a non-payment notice from Service Provider pursuant to the terms of this Agreement shall constitute Service Recipient's failure to perform a material obligation under Section 5.02(b) and Service Provider may terminate this Agreement with respect to the applicable Service for which such payment failure applies under Section 5.02(b) (after the applicable cure period set forth therein).

Section 4.03. Taxes. Without limiting any provisions of this Agreement, Service Recipient shall bear any and all Taxes and other similar charges (and any related interest and penalties) imposed on, or payable with respect to, any fees or charges, including any Charges, payable by it pursuant to this Agreement, including all sales, use, value-added, and similar Taxes, but excluding any Taxes on Service Provider's income. Notwithstanding anything to the contrary in the previous sentence or elsewhere in this Agreement, Service Recipient shall be entitled to withhold from any payments to Service Provider any such Taxes that Service Recipient is required by applicable Law to withhold and shall pay such Taxes to the applicable Taxing Authority.

Section 4.04. No Set-Off. Except as mutually agreed to in writing by Service Provider and Service Recipient, neither Service Recipient nor any of its Affiliates shall have any right of set-off or other similar rights with respect to any amounts owed to Service Provider or any of its Subsidiaries pursuant to this Agreement on account of any obligation owed by Service Provider or any of its Subsidiaries to Service Recipient or any of its Subsidiaries.

ARTICLE V
TERM AND TERMINATION

Section 5.01. Term. This Agreement shall commence at the Effective Time and shall terminate upon the earliest to occur of (a) the last date on which Service Provider is obligated to provide any Service to Service Recipient in accordance with the terms of this Agreement; (b) the mutual written agreement of the Parties to terminate this Agreement in its entirety; and (c) the two (2) year anniversary of the Distribution Date (the "Term"). Unless otherwise terminated pursuant to Section 5.02, this Agreement shall terminate with respect to each Service as of the close of business on the last day of the Service Period for such Service.

Section 5.02. Early Termination.

(a) Without prejudice to Service Recipient's rights with respect to Force Majeure, Service Recipient may from time to time terminate this Agreement with respect to the entirety of any Service (Service Recipient may terminate any Service set forth on any part of the Schedules hereto without terminating all or any other Services set forth on the same Schedule as such terminated Service; provided, however, that Service Recipient must terminate the entirety of any Service, and not just a portion thereof):

(i) for any reason or no reason, upon the giving of at least forty-five (45) days' prior written notice (or such other number of days specified in the Schedules hereto) to Service Provider, unless prohibited by the applicable Schedule hereto); provided, however, that any such termination (x) may not be effective prior to the end of the Minimum Service Period, (y) may only be effective as of the last day of a month and (z) shall be subject to the obligation to pay any applicable Termination Charges pursuant to Section 5.05; or

(ii) if Service Provider has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure to perform materially and adversely affects the provision of such Service or Service Recipient or an Affiliate thereof or the SpinCo Business or the Parent Business, as applicable, and such failure shall continue to be uncured by Service Provider for a period of at least ninety (90) days after receipt by Service Provider of written notice of such failure from Service Recipient; provided, however, that Service Recipient shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 8.16) as to whether Service Provider has cured the applicable breach.

(b) Service Provider may terminate this Agreement with respect to the entirety or portion of any Service at any time upon prior written notice to Service Recipient if Service Recipient has failed to perform any of its material obligations under this Agreement with respect to such Service, including making payment of Charges which are not disputed in good faith for such Service when due, and such failure shall continue to be uncured by Service Recipient for a period of at least ninety (90) days (or thirty (30) days in the event of a failure to make payment

of Charges which are not disputed in good faith for such Service when due) after receipt by Service Recipient of a written notice of such failure from Service Provider; provided, however, that Service Provider shall not be entitled to terminate this Agreement with respect to the applicable Service if, as of the end of such period, there remains a good-faith Dispute between the Parties (undertaken in accordance with the terms of Section 8.16) as to whether Service Recipient has cured the applicable breach.

(c) The Schedules hereto shall be updated to reflect any terminated Service.

Section 5.03. Extension of Services. Service Recipient may request, by providing Service Provider with advance written notice, to extend the Service Period of any Service so that such Service ends on the earlier of (a) ninety (90) days following the last date on which Service Provider is obligated to provide such Service in accordance with the terms of this Agreement and (b) the Term (each such extension, a "Service Extension"). Other that with respect to the Services set forth on Schedule 5.03 hereto, which Service Recipient shall have the right to extend on the terms set forth on Schedule 5.03, Service Provider, in its sole discretion, shall determine whether to extend such Service for the requested Service Extension period. If Service Provider agrees to provide such Service during the requested Service Extension period, then (i) the Parties shall in good faith negotiate the terms of an amendment to the Schedules hereto, which amendment shall be consistent with the terms of the applicable Service; and (ii) the Charge for such Service during the Service Extension period shall be equal to one hundred twenty-five percent (125%) of the Charge for such Service; provided that, if such Service Extension is the result of Service Provider's failure to provide the Service during the applicable Service Period (the amount of time that the Service Provider so failed to provide such Service, the "Service Suspension Period"), then the Charge for such Service during the Service Extension period shall be equal to (x) one hundred percent (100%) of the Charge for such Service, for a number of days equal to the Service Suspension Period and (y) one hundred twenty-five percent (125%) of the Charge for such Service, for the remaining days of the Service Extension period, if any. Notwithstanding the foregoing, the Service Period of any particular Service may not be extended more than once. Each amendment of the Schedules hereto, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement and any Services provided pursuant to such Service Extensions shall be deemed "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 5.04. Interdependencies. The Parties acknowledge and agree that (a) there may be interdependencies among the Services being provided under this Agreement; (b) upon the request of either Party, the Parties shall cooperate and act in good faith to determine whether (i) any such interdependencies exist with respect to the particular Service that Service Recipient is seeking to terminate pursuant to Section 5.02 and (ii) in the case of such termination, Service Provider's ability to provide a particular Service in accordance with this Agreement would be materially and adversely affected by such termination of another Service; and (c) in the event that the Parties have determined that such interdependencies exist and such termination would materially and adversely affect Service Provider's ability to provide a particular Service in accordance with this Agreement, the Parties shall (i) negotiate in good faith to amend the Schedules hereto with respect to such impacted Service prior to such termination, which amendment shall be consistent with the terms of comparable Services, and (ii) if after such negotiation, the Parties are unable to agree on such amendment, Service Provider's obligation to provide such Service shall terminate automatically with such termination.

Section 5.05. Effect of Termination. Upon the termination of any Service pursuant to this Agreement, Service Provider shall have no further obligation to provide the terminated Service, and Service Recipient shall have no obligation to pay any future Charges relating to such Service; provided, however, that Service Recipient shall remain obligated to Service Provider for (a) the Charges owed and payable in respect of Services provided prior to the effective date of termination for such Service, and (b) any applicable Termination Charges (which, in the case of clause (b), shall not be payable in the event that Service Recipient terminates any Service pursuant to Section 5.02(a)(ii) or Section 2.05). In connection with the termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination, and in connection with a termination of this Agreement, Article I, this Article V, Article VII and Article VIII, and Liability for all due and unpaid Charges and Termination Charges shall continue to survive indefinitely.

Section 5.06. Information Transmission. Service Provider, on behalf of itself and its Subsidiaries, shall use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to Service Recipient, in accordance with Section 6.1 of the Separation and Distribution Agreement, any Information received or computed by Service Provider for the benefit of Service Recipient concerning the relevant Service during the Service Period; provided, however, that, except as otherwise agreed to in writing by the Parties (a) Service Provider shall not have any obligation to provide, or cause to be provided, Information in any non-standard format, (b) Service Provider and its Subsidiaries shall be reimbursed for their reasonable costs in accordance with Section 6.3 of the Separation and Distribution Agreement for creating, gathering, copying, transporting and otherwise providing such Information, and (c) Service Provider shall use commercially reasonable efforts to maintain any such Information in accordance with Section 6.4 of the Separation and Distribution Agreement.

ARTICLE VI
CONFIDENTIALITY; PROTECTIVE ARRANGEMENTS

Section 6.01. Parent and SpinCo Obligations. Subject to Section 6.04, until the six (6)-year anniversary of the date of the termination of this Agreement in its entirety, each of Parent and SpinCo, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's Confidential Information pursuant to policies in effect as of the Effective Time, all Confidential Information concerning the other Party or its Subsidiaries or their respective businesses that is either in its possession (including Confidential Information in its possession prior to the date hereof) or furnished by such other Party or such other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement, and shall not use any such Confidential Information other than for such purposes as may be expressly permitted hereunder, except, in each case, to the extent that such Confidential Information (a) is in the public domain or is generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (b) is lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves known by such Party or any of its Subsidiaries to

be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; (c) is independently developed or generated without reference to or use of the Confidential Information of the other Party or any of its Subsidiaries; or (d) was in such Party's or its Subsidiaries' possession on a non-confidential basis prior to the time of disclosure to such Party and at the time of such disclosure was not known by such Party or any of its Subsidiaries to be prohibited from being disclosed by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information. If any Confidential Information of a Party or any of its Subsidiaries is disclosed to the other Party or any of its Subsidiaries in connection with providing the Services, then such disclosed Confidential Information shall be used only as required to perform such Services.

Section 6.02. No Release; Return or Destruction. Each Party agrees (a) not to release or disclose, or permit to be released or disclosed, any Confidential Information of the other Party addressed in Section 6.01 to any other Person, except its Representatives who need to know such Confidential Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Confidential Information) and except in compliance with Section 6.04, and (b) to use commercially reasonable efforts to maintain such Confidential Information in accordance with Section 6.4 of the Separation and Distribution Agreement. Without limiting the foregoing, when any such Confidential Information is no longer needed for the purposes contemplated by the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreements, each Party will promptly after request of the other Party either return to the other Party all such Confidential Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided that the Parties may retain electronic back-up versions of such Confidential Information maintained on routine computer system backup tapes, disks or other backup storage devices; and provided, further, that any such retained back-up information shall remain subject to the confidentiality provisions of this Agreement.

Section 6.03. Privacy and Data Protection Laws. Each Party shall comply with all applicable state, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of the Services under this Agreement.

Section 6.04. Protective Arrangements. In the event that a Party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any of its Subsidiaries) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by

lawful process or such Governmental Authority and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted. The obligations in this Article VI shall survive any expiration or termination of this Agreement for six (6) years after the date of expiration or termination of this Agreement; provided, however, that, with respect to each trade secret of a Party or its Affiliates, such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret.

ARTICLE VII
LIMITED LIABILITY AND INDEMNIFICATION

Section 7.01. Limitations on Liability.

(a) SUBJECT TO SECTION 7.02, THE LIABILITIES OF SERVICE PROVIDER AND ITS SUBSIDIARIES AND THEIR RESPECTIVE REPRESENTATIVES, COLLECTIVELY, UNDER THIS AGREEMENT FOR ANY ACT OR FAILURE TO ACT IN CONNECTION HEREWITH (INCLUDING THE PERFORMANCE OR BREACH OF THIS AGREEMENT), OR FROM THE SALE, DELIVERY, PROVISION OR USE OF ANY SERVICES PROVIDED UNDER OR CONTEMPLATED BY THIS AGREEMENT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED THE AGGREGATE CHARGES PAID OR PAYABLE TO SUCH SERVICE PROVIDER BY SERVICE RECIPIENT UNDER THIS AGREEMENT OVER THE PREVIOUS TWELVE MONTHS OR SINCE THE DATE OF THIS AGREEMENT (IF PRIOR TO THE FIRST ANNIVERSARY OF THIS AGREEMENT) WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH LIABILITY.

(b) IN NO EVENT SHALL EITHER PARTY, ITS SUBSIDIARIES OR THEIR RESPECTIVE REPRESENTATIVES BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, REMOTE, SPECULATIVE OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT REGARDLESS OF WHETHER SUCH PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF, OR THE FORESEEABILITY OF, SUCH DAMAGES (OTHER THAN ANY SUCH LIABILITY WITH RESPECT TO A THIRD-PARTY CLAIM), AND EACH PARTY HEREBY WAIVES ON BEHALF OF ITSELF, ITS SUBSIDIARIES AND ITS REPRESENTATIVES ANY CLAIM FOR SUCH DAMAGES, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

(c) The limitations in Section 7.01(a) and Section 7.01(b) shall not apply in respect of any Liability arising out of or in connection with (i) either Party's Liability for breaches of confidentiality under Article VI or (ii) the Parties' respective obligations under Section 7.03.

Section 7.02. Obligation to Re-Perform; Liabilities. In the event of any breach of this Agreement by Service Provider with respect to the provision of any Services (with respect to which Service Provider can reasonably be expected to re-perform in a commercially reasonable manner), Service Provider shall, at the request of Service Recipient, promptly correct in all material respects such error, defect or breach or re-perform in all material respects such Services at the sole cost and expense of Service Provider. The remedy set forth in this Section 7.02 shall be the sole and exclusive remedy of Service Recipient for any such breach of this Agreement; provided, however, that the foregoing shall not prohibit Service Recipient from exercising its right to terminate this Agreement in accordance with the provisions of Section 5.02(a)(ii) or seeking specific performance in accordance with Section 8.17. Any request for re-performance in accordance with this Section 7.02 by Service Recipient must be in writing and specify in reasonable detail the particular error, defect or breach, and such request must be made no more than one month from the later of (x) the date on which such breach occurred and (y) the date on which such breach was reasonably discovered by Service Recipient.

Section 7.03. Third-Party Claims. In addition to (but not in duplication of) its other indemnification obligations (if any) under the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreement, Service Recipient shall indemnify, defend and hold harmless Service Provider, its Subsidiaries and each of their respective Representatives, and each of the successors and assigns of any of the foregoing (collectively, the "Service Provider Indemnitees"), from and against any and all claims of Third Parties relating to, arising out of or resulting from Service Recipient's use or receipt of the Services provided by Service Provider hereunder, other than Third-Party Claims arising out of the gross negligence, willful misconduct or fraud of any Service Provider Indemnitee.

Section 7.04. Indemnification Procedures. The procedures for indemnification set forth in Article IV of the Separation and Distribution Agreement shall govern claims for indemnification under this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Mutual Cooperation. Each Party shall, and shall cause its Subsidiaries to, cooperate with the other Party and its Subsidiaries in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Subsidiaries; and, provided, further, that this Section 8.01 shall not require such Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties.

Section 8.02. Further Assurances. Subject to the terms of this Agreement, each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 8.03. Audit Assistance. Each of the Parties and their respective Subsidiaries are or may be subject to regulation and audit by a Governmental Authority (including a Taxing Authority), standards organizations, customers or other parties to contracts with such Parties or their respective Subsidiaries under applicable Law, standards or contract provisions. If a

Governmental Authority, standards organization, customer or other party to a contract with a Party or its Subsidiary exercises its right to examine or audit such Party's or its Subsidiary's books, records, documents or accounting practices and procedures pursuant to such applicable Law, standards or contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party, all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information, to the extent that such assistance or Information is within the reasonable control of the cooperating Party and is related to the Services.

Section 8.04. Title to Intellectual Property. For purposes of this Agreement, Service Recipient acknowledges that it shall acquire no right, title or interest (including any license rights or rights of use) in any intellectual property which is owned or licensed by Service Provider, by reason of the provision of the Services hereunder. Service Recipient shall not remove or alter any copyright, trademark, confidentiality or other proprietary notices that appear on any intellectual property owned or licensed by Service Provider, and Service Recipient shall reproduce any such notices on any and all copies thereof. Service Recipient shall not attempt to decompile, translate, reverse engineer or make excessive copies of any intellectual property owned or licensed by Service Provider, and Service Recipient shall promptly notify Service Provider of any such attempt, regardless of whether by Service Recipient or any Third Party, of which Service Recipient becomes aware.

Section 8.05. Independent Contractors. The Parties each acknowledge and agree that they are separate entities, each of which has entered into this Agreement for independent business reasons. The relationships of the Parties hereunder are those of independent contractors and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship between the Parties. Employees performing Services hereunder do so on behalf of, under the direction of, and as employees of, Service Provider, and Service Recipient shall have no right, power or authority to direct such employees, unless otherwise specified with respect to a particular Service on the Schedules hereto.

Section 8.06. Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements govern the arrangements in connection with the Separation and Distribution and would not have been entered into independently.

(c) Parent represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, and SpinCo represents on behalf of itself and, to the extent applicable, each of its Subsidiaries, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it and is enforceable in accordance with the terms hereof.

(d) Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 8.07. Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 8.08. Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, Service Provider may assign this Agreement or all of its rights or obligations hereunder to any Affiliate without Service Recipient's prior written consent (but with notice to the Service Recipient) solely to the extent such Affiliate can continue to deliver the Services hereunder without interruption.

Section 8.09. Third-Party Beneficiaries. Except as provided in Article VII with respect to the Service Provider Indemnitees and the Service Recipient Indemnitees in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder; and (b) there are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 8.10. Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and except as provided herein shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, or by electronic mail ("e-mail"), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.10):

If to Parent, to:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

If to SpinCo, to:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel, Head of Corporate Development
and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

Any Party may, by notice to the other Party, change the address to which such notices are to be given or made.

Section 8.11. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 8.12. Force Majeure. No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. Without limiting the termination rights contained in this Agreement, in the event of any such excused delay, the time for performance of such obligation (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable (and in no event later than the date that the affected Party resumes analogous performance under any other agreement for itself, its Affiliates or any Third Party) unless this Agreement has previously been terminated under Article V or this Section 8.12.

Section 8.13. Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.14. Survival of Covenants. Except as expressly set forth in this Agreement, the covenants, representations and warranties and other agreements contained in this Agreement, and Liability for the breach of any obligations contained herein, shall survive the Effective Time and shall remain in full force and effect thereafter.

Section 8.15. Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.16. Dispute Resolution.

(a) In the event of any controversy, dispute or claim (a "Dispute") arising out of or relating to any Party's rights or obligations under this Agreement (whether arising in contract, tort or otherwise), calculation or allocation of the costs of any Service or otherwise arising out of or relating in any way to this Agreement (including the interpretation or validity of this Agreement), such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

(b) In any Dispute regarding the amount of a Charge or a Termination Charge, if such Dispute is finally resolved pursuant to the dispute resolution process set forth or referred to in Section 8.16(a) and it is determined that the Charge or the Termination Charge, as applicable, that Service Provider has invoiced Service Recipient, and that Service Recipient has paid to Service Provider, is greater or less than the amount that the Charge or the Termination Charge, as applicable, should have been, then (i) if it is determined that Service Recipient has overpaid the Charge or the Termination Charge, as applicable, Service Provider shall within ten (10) calendar days after such determination reimburse Service Recipient an amount of cash equal to such overpayment, plus the Interest Payment, accruing from the date of payment by Service

Recipient to the time of reimbursement by Service Provider; and (ii) if it is determined that Service Recipient has underpaid the Charge or the Termination Charge, as applicable, Service Recipient shall within ten (10) calendar days after such determination reimburse Service Provider an amount of cash equal to such underpayment, plus the Interest Payment, accruing from the date such payment originally should have been made by Service Recipient to the time of payment by Service Recipient.

Section 8.17. Specific Performance. Subject to Section 8.16, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties. Unless otherwise agreed in writing, Service Provider shall continue to provide Services and the Parties shall honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of Section 8.16 and this Section 8.17 with respect to all matters not subject to such Dispute; provided, however, that this obligation shall only exist during the term of this Agreement.

Section 8.18. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom enforcement of such waiver, amendment, supplement or modification is sought.

Section 8.19. Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

Section 8.20. Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase

shall not mean simply “if”; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by Law to close in the United States or Franklin Lakes, New Jersey; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to [ ], 2022.

Section 8.21. Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

BECTON, DICKINSON AND COMPANY

By: _____
Name:
Title:

EMBECTA CORP.

By: _____
Name:
Title:

[Signature Page to Transition Services Agreement]

Exhibit 10.2

FORM OF TAX MATTERS AGREEMENT

by and between

BECTON, DICKINSON AND COMPANY

and

EMBECTA CORP.

Dated as of [•], 2022

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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this "Agreement"), is entered into as of [•] by and between Becton, Dickinson and Company, a New Jersey corporation ("Parent"), and Embecta Corp., a Delaware corporation ("SpinCo," and together with Parent, the "Parties"). Capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to such terms in the Separation and Distribution Agreement, dated as of the date hereof, by and between the Parties (the "Separation Agreement").

R E C I T A L S

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in connection with the Separation and the Distribution;

WHEREAS, Parent will effect certain restructuring transactions described in the Separation Plan for the purpose of aggregating the SpinCo Business in the SpinCo Group prior to the Distribution, and, in connection therewith, Parent will undertake the Contribution, in exchange for which SpinCo (i) shall issue to Parent SpinCo Shares, pay to Parent the SpinCo Contribution Payment, and assume certain liabilities related to the SpinCo Business, and (ii) may issue to Parent certain debt securities of SpinCo (the "SpinCo Securities");

WHEREAS, Parent will transfer any SpinCo Securities to Parent creditors in satisfaction of certain Parent debt (any such transfer, the "Debt Exchange") within 12 months after the Distribution;

WHEREAS, Parent intends to effect the Distribution in a transaction that, taken together with the Contribution and any Debt Exchange, is intended to qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355, and 361 of the Code;

WHEREAS, certain members of the Parent Group, on the one hand, and certain members of the SpinCo Group, on the other hand, file certain Tax Returns on a consolidated, combined, or unitary basis for certain federal, state, local, and foreign Tax purposes; and

WHEREAS, the Parties desire to (i) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in, the filing of Tax Returns, and provide for certain other matters relating to Taxes, and (ii) set forth certain covenants and indemnities relating to the preservation of the Tax-Free Status of the Transactions.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 General. As used in this Agreement (including the recitals hereof), the following terms shall have the following meanings:

"Active Trade or Business" means, with respect to SpinCo or any member of the SpinCo Group, the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations thereunder) of the SpinCo Business as conducted by such entity immediately prior to the Distribution.

"Adjustment" shall mean an adjustment of any item of income, gain, loss, deduction, credit, or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

"Affiliate" shall have the meaning set forth in the Separation Agreement.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Ancillary Agreement" shall have the meaning set forth in the Separation Agreement.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Franklin Lakes, New Jersey.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Contribution" shall have the meaning set forth in the Separation Agreement.

"Controlling Party" shall mean, with respect to a Tax Contest, the Party entitled to control such Tax Contest pursuant to Sections 6.2 and 6.3 of this Agreement.

"Debt Exchange" shall have the meaning set forth in the preamble hereto.

"Distribution" shall have the meaning set forth in the Separation Agreement.

"Distribution Date" shall have the meaning set forth in the Separation Agreement.

"Employee Matters Agreement" shall have the meaning set forth in the Separation Agreement.

"Employment Tax" shall mean those Liabilities (as defined in the Separation Agreement) for Taxes which are allocable pursuant to the provisions of the Employee Matters Agreement.

"Federal Income Tax" shall mean (i) any Tax imposed by Subtitle A of the Code other than an Employment Tax, and (ii) any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Fifty-Percent or Greater Interest" shall have the meaning ascribed to such term for purposes of Section 355(d) and (e) of the Code.

"Final Determination" shall mean the final resolution of liability for any Tax for any taxable period, by or as a result of (i) a final decision, judgment, decree, or other order by any court of competent jurisdiction that can no longer be appealed, (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under the Laws of a state, local, or foreign taxing jurisdiction, which resolves the entire Tax liability for any taxable period, (iii) any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund or credit may be recovered (including by way of withholding or offset) by the jurisdiction imposing the Tax, or (iv) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Taxing Authority.

"Group" shall mean either the Parent Group or the SpinCo Group, as the context requires.

"Income Tax" means all Taxes based upon, measured by, or calculated with respect to (i) net income or profits (including any capital gains, minimum Tax or any Tax on items of tax preference, but not including sales, use, real or personal property, gross or net receipts, value added, excise, leasing, transfer or similar Taxes), or (ii) multiple bases (including corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax is determined is described in clause (i) of this definition, together with any interest, penalty, additions to tax, or additional amounts in respect of the foregoing.

"Indemnifying Party" shall have the meaning set forth in Section 5.2.

"Indemnitee" shall have the meaning set forth in Section 5.2.

"Internal Distribution" shall mean any transaction (or series of transactions) effected as part of the Transactions (other than the Contribution and the Distribution) that is intended to qualify as a tax-free transaction under Section 355 and/or Section 368(a)(1)(D) of the Code, as described in the Tax Materials.

"IRS" shall mean the U.S. Internal Revenue Service or any successor agency, including, but not limited, to its agents, representatives, and attorneys.

"IRS Ruling" shall mean any U.S. federal income tax ruling issued to Parent by the IRS in connection with the Transactions.

"IRS Ruling Request" shall mean the letter filed by Parent with the IRS requesting a ruling regarding certain U.S. federal income tax consequences of the Transactions and any amendment or supplement to such ruling request letter.

"Joint Return" shall mean any Tax Return that includes, by election or otherwise, one or more members of the Parent Group together with one or more members of the SpinCo Group.

"Law" shall have the meaning set forth in the Separation Agreement.

"Non-Controlling Party" shall mean, with respect to a Tax Contest, the Party that is not the Controlling Party with respect to such Tax Contest.

"Parent" shall have the meaning set forth in the preamble hereto.

"Parent Affiliated Group" shall mean the affiliated group (as that term is defined in Section 1504 of the Code and the Treasury Regulations thereunder) of which Parent is the common parent.

"Parent Business" shall have the meaning set forth in the Separation Agreement.

"Parent Federal Consolidated Income Tax Return" shall mean any U.S. Federal Income Tax Return for the Parent Affiliated Group.

"Parent Group" shall have the meaning set forth in the Separation Agreement.

"Parent Separate Return" shall mean any Tax Return of or including any member of the Parent Group (including any consolidated, combined, or unitary return) that does not include any member of the SpinCo Group.

"Parent Shares" shall have the meaning set forth in the Separation Agreement.

"Parties" shall have the meaning set forth in the preamble hereto.

"Past Practices" shall have the meaning set forth in Section 3.5.

"Person" shall have the meaning set forth in the Separation Agreement.

"Post-Distribution Period" shall mean any taxable period (or portion thereof) beginning after the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period beginning after the Distribution Date.

"Pre-Distribution Period" shall mean any taxable period (or portion thereof) ending on or before the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period ending at the end of the day on the Distribution Date.

"Proposed Acquisition Transaction" shall mean a transaction or series of transactions (or any agreement, understanding, or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other Treasury Regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by SpinCo management or shareholders, is a hostile acquisition, or otherwise, as a result of which SpinCo (or any successor thereto) would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from SpinCo (or any successor thereto) and/or one or more holders of SpinCo Capital Stock, respectively, any amount of SpinCo Capital Stock, that would, when combined with any other direct or indirect changes in ownership of SpinCo Capital Stock pertinent for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, comprise forty percent (40%) or more of (i) the value of all outstanding shares of stock of SpinCo as of immediately after such transaction, or in the case of a series of transactions, immediately after the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of SpinCo as of immediately after such transaction, or in the case of a series of transactions, immediately after the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by SpinCo of a shareholder rights plan, or (ii) issuances by SpinCo that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and the Treasury Regulations promulgated thereunder and shall be interpreted accordingly. Any clarification of, or change in, the statute or Treasury Regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"Reasonable Basis" shall mean a reasonable basis within the meaning of Section 6662(d)(2)(B)(ii)(II) of the Code and the Treasury Regulations promulgated thereunder (or such other level of confidence required by the Code at that time to avoid the imposition of penalties).

"Refund" shall mean any refund, reimbursement, offset, credit, or other similar benefit in respect of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied against other Taxes payable), including any interest paid on or with respect to such refund of Taxes; provided, however, that the amount of any refund of Taxes shall be net of any Taxes imposed by any Taxing Authority on, related to, or attributable to, the receipt of or accrual of such refund, including any Taxes imposed by way of withholding or offset.

"Responsible Party" shall mean, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return pursuant to this Agreement.

"Restricted Period" shall mean the period which begins with the Distribution Date and ends two (2) years thereafter.

"Separate Return" shall mean a Parent Separate Return or a SpinCo Separate Return, as the case may be.

"Separation" shall have the meaning set forth in the preamble hereto.

"Separation Agreement" shall have the meaning set forth in the preamble hereto.

"Separation Step Plan" shall mean have the meaning set forth in the Separation Agreement.

"SpinCo" shall have the meaning set forth in the preamble hereto.

"SpinCo Business" shall have the meaning set forth in the Separation Agreement.

"SpinCo Capital Stock" shall mean all classes or series of capital stock of SpinCo, including (i) SpinCo Shares, (ii) all options, warrants, and other rights to acquire such capital stock, and (iii) all other instruments properly treated as stock of SpinCo for U.S. federal income tax purposes.

"SpinCo Contribution Payment" shall have the meaning set forth in the Separation Agreement.

"SpinCo Disqualifying Action" shall mean (i) any action (or failure to take any action) by any member of the SpinCo Group after the Distribution (including entering into any agreement, understanding, arrangement, or negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) after the Distribution involving SpinCo Capital Stock or the assets of any member of the SpinCo Group, or (iii) any breach by any member of the SpinCo Group after the Distribution of any representation, warranty, or covenant made by them in this Agreement, that, in each case, would adversely affect the Tax-Free Status of the Transactions or result in any Taxes described in Schedule B; provided, however, that the term "SpinCo Disqualifying Action" shall not include any action entered into pursuant to any Ancillary Agreement (other than this Agreement) or that is undertaken pursuant to the Separation or the Distribution.

"SpinCo Group" shall have the meaning set forth in the Separation Agreement.

"SpinCo Separate Return" shall mean any Tax Return of or including any member of the SpinCo Group (including any consolidated, combined, or unitary return) that does not include any member of the Parent Group.

"SpinCo Shares" shall have the meaning set forth in the Separation Agreement.

"State Tax" shall mean (i) any Tax imposed by any State of the United States or by any political subdivision of any such State, and (ii) any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Straddle Period" shall mean any taxable period that begins on or before, and ends after, the Distribution Date.

"Subsidiary" shall have the meaning set forth in the Separation Agreement.

"Tax" or "Taxes" shall mean (i) all taxes, charges, fees, duties, levies, imposts, rates, or other assessments or governmental charges of any kind imposed by any federal, state, local, or foreign Taxing Authority, including, without limitation, income, gross receipts, employment, estimated, excise, severance, stamp, occupation, premium, windfall profits, environmental, custom duties, property, sales, use, license, capital stock, transfer, franchise, registration, payroll, withholding, social security, unemployment, disability, value added, alternative or add-on minimum, or other taxes, whether disputed or not, and including any interest, penalties, charges, or additions attributable thereto, (ii) liability for the payment of any amount of the type described in clause (i) above arising as a result of being (or having been) a member of any consolidated, combined, unitary, or similar group or being (or having been) included or required to be included in any Tax Return related thereto, and (iii) liability for the payment of any amount of the type described in clauses (i) or (ii) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person, whether by contract, by operation of law, or otherwise.

"Tax Advisor" shall mean a tax counsel or accountant of recognized national standing.

"Tax Attribute" shall mean net operating losses, capital losses, research and experimentation credit carryovers, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, overall domestic losses, previously taxed earnings and profits, separate limitation losses, and any other losses, deductions, credits, or other comparable items that could affect a Tax liability for a past or future taxable period.

"Tax Certificates" shall mean any officer's certificates, representation letters, or similar documents provided by Parent and SpinCo to Skadden, Arps, Slate, Meagher & Flom LLP or any other law or accounting firm in connection with any Tax Opinion delivered or deliverable to Parent in connection with the Transactions.

"Tax Contest" shall have the meaning set forth in Section 6.1.

"Tax-Free Status of the Transactions" shall mean (i) the qualification of the Contribution (including Parent's receipt of SpinCo Shares, the SpinCo Contribution Payment, and any SpinCo Securities in connection therewith) and the Distribution, taken together, as a reorganization described in Sections 368(a)(1)(D) and 355 of the Code, (ii) the qualification of the Distribution as a transaction in which the SpinCo Shares distributed to holders of Parent Shares is "qualified property" for purposes of Section 361(c) of the Code, (iii) the nonrecognition of income, gain, or loss by Parent, SpinCo, and holders of Parent Shares on the Contribution and the Distribution under Sections 355, 361, and 1032 of the Code (except with respect to any cash received in lieu of fractional SpinCo Shares), other than, in the case of Parent and SpinCo, any intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code, (iv) the qualification of any Debt Exchange as a transfer of "qualified property" to creditors of Parent in connection with the reorganization within the meaning of Section 361(c) of the Code, and (v) the qualification of the transactions described on Schedule A as being free from Tax to the extent set forth therein.

"Tax Item" shall mean any item of income, gain, loss, deduction, or credit, or any other item which increases or decreases Taxes paid or payable in any taxable period.

"Tax Law" shall mean the law of any governmental entity or political subdivision thereof relating to any Tax.

"Tax Materials" shall have the meaning set forth in Section 4.1(a).

"Tax Opinion" shall mean any written opinion delivered or deliverable to Parent by Skadden, Arps, Slate, Meagher & Flom LLP or any other law or accounting firm regarding the tax consequences of the Transactions.

"Tax Records" shall have the meaning set forth in Section 8.1.

"Tax-Related Losses" shall mean, with respect to any Taxes, (i) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes, as well as any other out-of-pocket costs incurred in connection with such Taxes, and (ii) all costs, expenses and damages associated with stockholder litigation or controversies and any amounts paid by Parent (or any of its Affiliates) or SpinCo (or any of its Affiliates) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from the failure of the Transactions to qualify for the Tax-Free Status of the Transactions.

"Tax Return" shall mean any return, report, certificate, form, or similar statement or document (including any related supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment, or collection of any Tax or the administration of any laws, regulations, or administrative requirements relating to any Tax.

"Taxing Authority" shall mean any governmental authority or any subdivision, agency, commission, or entity thereof having jurisdiction over the assessment, determination, collection, or imposition of any Tax (including the IRS).

"Transactions" shall mean the Separation, the Distribution, any Debt Exchange, any other transaction described in the Separation Step Plan, and any related transactions.

"Transaction Taxes" shall mean all Transfer Taxes and other Taxes (including Taxes imposed on any member of the Parent Group under Sections 951 or 951A of the Code, as determined by Parent in its discretion) imposed on or with respect to the Transactions, other than any Taxes resulting from the failure of the Transactions to qualify for the Tax-Free Status of the Transactions; provided, however, that Transaction Taxes shall not include any amounts for which SpinCo has an indemnification obligation pursuant to Article V.

"Transfer Tax" shall mean (i) all transfer, sales, use, excise, stock, stamp, stamp duty, stamp duty reserve, stamp duty land, documentary, filing, recording, registration, value-added and other similar Taxes (excluding, for the avoidance of doubt, any income, gains, profits, or similar Taxes, however assessed), and (ii) any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Treasury Regulations" shall mean the regulations promulgated from time to time under the Code as in effect for the relevant taxable period.

"Unqualified Tax Opinion" shall mean an unqualified "will" opinion of a Tax Advisor, which Tax Advisor is acceptable to Parent on which Parent may rely to the effect that a transaction will not affect the Tax-Free Status of the Transactions. Any such opinion must assume that the Transactions would have qualified for Tax-Free Status of the Transactions if the transaction in question did not occur.

ARTICLE II

PAYMENTS AND TAX REFUNDS

2.1 Allocation of Tax Liabilities. Except as otherwise provided in this Article II and Section 5.1, Taxes shall be allocated as follows:

(a) Allocation of Taxes Relating to Joint Returns.

(i) Allocation for Pre-Distribution Periods. Parent shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination) for all Pre-Distribution Periods.

(ii) Allocation to SpinCo for Post-Distribution Periods. SpinCo shall pay and be responsible for any and all Taxes attributable to the SpinCo Business that are due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination) for all Post-Distribution Periods.

(iii) Allocation to Parent for Post-Distribution Periods. Parent shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination) other than those Taxes described in Section 2.1(a)(ii) for all Post-Distribution Periods.

(b) Allocation of Taxes Relating to Separate Returns.

(i) Parent shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Parent Separate Return (including any increase in such Tax as a result of a Final Determination) for all taxable periods.

(ii) SpinCo shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any SpinCo Separate Return (including any increase in such Tax as a result of a Final Determination) for all taxable periods (excluding, for the avoidance of doubt, any Transaction Taxes allocated to the Parent Group pursuant to Section 2.4).

2.2 Determination of Taxes Attributable to the SpinCo Business. For purposes of Section 2.1(a)(ii):

(a) The amount of Federal Income Taxes attributable to the SpinCo Business shall be determined by Parent on the basis of a pro forma SpinCo Group consolidated return using the following conventions:

(i) including only Tax Items of members of the SpinCo Group that were included in the relevant Parent Federal Consolidated Income Tax Return;

(ii) except as provided in Section 2.2(a)(iv), using all elections, accounting methods and conventions used on the Parent Federal Consolidated Income Tax Return for such taxable period;

(iii) applying the highest statutory marginal corporate income Tax rate in effect for such taxable period; and

(iv) assuming that the SpinCo Group elects not to carry back any net operating losses.

(b) The amount of Income Taxes attributable to the SpinCo Business with respect to any Joint Return other than a Parent Federal Consolidated Income Tax Return shall be as determined by Parent in a manner consistent with the principles set forth in Section 2.2(a), to the extent relevant.

(c) In the case of any Joint Return for any Straddle Period, the allocation of any Tax Items required to determine any Taxes or other amounts attributable to Pre-Distribution Periods and Post-Distribution Periods shall be as determined by Parent in a manner consistent with the past return filing practices of the Parent Group with respect to such Joint Return (including any past accounting methods, elections and conventions), except as otherwise required by applicable Law; provided, that property Taxes and other similar periodic Taxes shall be apportioned on a per diem basis.

(d) The amount of Taxes attributable to the SpinCo Business with respect to any Joint Return for any Tax Period shall not be less than zero.

(e) Parent shall consider in good faith any reasonable comments provided by SpinCo regarding the determination of the amount of Taxes attributable to the SpinCo Business under this Section 2.2.

(f) SpinCo shall reimburse Parent for all reasonable costs and expenses paid or incurred by the Parent Group in connection with determining the amount of Taxes attributable to the SpinCo Business with respect to any Joint Return.

2.3 Employment Taxes. Liability for Employment Taxes shall be determined pursuant to the Employee Matters Agreement.

2.4 Transaction Taxes. The Parent Group shall be responsible for any and all Transaction Taxes, as reasonably determined by Parent.

2.5 Delayed SpinCo Assets; Delayed SpinCo Liabilities; Delayed Parent Assets; Delayed Parent Liabilities. The Parties acknowledge and agree that, notwithstanding anything contained herein to the contrary, this Agreement shall not in any way affect or modify the Parties' rights and obligations under Section 2.4 of the Separation Agreement.

2.6 Tax Refunds.

(a) Parent shall be entitled to all Refunds related to Taxes the liability for which is allocated to Parent pursuant to this Agreement. SpinCo shall be entitled to all Refunds related to Taxes the liability for which is allocated to SpinCo pursuant to this Agreement.

(b) SpinCo shall pay to Parent any Refund received by SpinCo or any member of the SpinCo Group that is allocable to Parent pursuant to this Section 2.6 no later than five (5) Business Days after the receipt of such Refund. Parent shall pay to SpinCo any Refund received by Parent or any member of the Parent Group that is allocable to SpinCo pursuant to this Section 2.6 no later than five (5) Business Days after the receipt of such Refund. For purposes of this Section 2.6, any Refund that arises as a result of an offset, credit, or other similar benefit in respect of Taxes other than a receipt of cash shall be deemed to be received on the earlier of (i) the date on which a Tax Return is filed claiming such offset, credit, or other similar benefit, and (ii) the date on which payment of the Tax which would have otherwise been paid absent such offset, credit, or other similar benefit is due (determined without taking into account any applicable extensions).

2.7 Tax Benefits. If Parent determines, in its discretion, that (i) one Party is responsible for a Tax pursuant to this Agreement or under applicable Tax Law, and (ii) the other Party is entitled to a deduction, credit, or other Tax benefit in respect of such Tax, then the Party entitled to such deduction, credit, or other Tax benefit shall pay to the Party responsible for such Tax the amount of the Tax benefit arising from such deduction, credit, or other Tax benefit, as determined by Parent in its discretion.

2.8 Prior Agreements. Except as set forth in this Agreement and in consideration of the mutual indemnities and other obligations of this Agreement, any and all prior Tax sharing or allocation agreements or practices between any member of the Parent Group and any member of the SpinCo Group shall be terminated with respect to the SpinCo Group as of the Distribution Date. No member of the SpinCo Group or the Parent Group shall have any continuing rights or obligations to any member of the other Group under any such agreement.

ARTICLE III

PREPARATION AND FILING OF TAX RETURNS

3.1 Parent's Responsibility. Parent shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all Joint Returns and all Parent Separate Returns, including any amendments to such Tax Returns.

3.2 SpinCo's Responsibility. SpinCo shall prepare and file when due (taking into account any applicable extensions), or shall cause to be prepared and filed, all Tax Returns, including any amended Tax Returns, required to be filed by or with respect to members of the SpinCo Group other than those Tax Returns which Parent is required to prepare and file under Section 3.1. The Tax Returns required to be prepared and filed by SpinCo under this Section 3.2 shall include any SpinCo Separate Returns and any amended SpinCo Separate Returns. For the avoidance of doubt, SpinCo shall prepare any transfer pricing documentation required to be prepared with respect to a Tax Return required to be prepared and filed under this Section 3.2.

3.3 Right To Review Tax Returns. To the extent that the positions taken on any Tax Return would reasonably be expected to materially affect the Tax position of the Party other than the Party that is required to prepare and file any such Tax Return pursuant to Section 3.1 or 3.2 (the "Reviewing Party"), the Party required to prepare and file such Tax Return (the "Preparing Party") shall prepare the portion of such Tax Return that relates to the business of the Reviewing Party (the Parent Business or the SpinCo Business, as the case may be), shall provide a draft of such portion of such Tax Return to the Reviewing Party for its review and comment at least thirty (30) days prior to the due date for such Tax Return (taking into account any applicable extensions), and shall modify such portion of such Tax Return before filing to include the Reviewing Party's reasonable comments. SpinCo shall provide to Parent any transfer pricing documentation required to be prepared with respect to a Tax Return for any taxable period that begins on or before the second anniversary of the Distribution Date with respect to which SpinCo is the Responsible Party at least thirty (30) days prior to the finalization of such transfer pricing documentation, and Parent shall be entitled to review and provide comments on such transfer pricing documentation. SpinCo shall modify such transfer pricing documentation prior to its finalization to include Parent's reasonable comments.

3.4 Cooperation. The Parties shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Article VII with respect to the preparation and filing of Tax Returns, including providing information required to be provided under Article VIII. Notwithstanding anything to the contrary in this Agreement, Parent shall not be required to disclose to SpinCo any consolidated, combined, unitary, or other similar Joint Return of which a member of the Parent Group is the common parent or any information related to such a Joint Return other than information relating solely to the SpinCo Group. If an amended Separate Return for State Taxes for which SpinCo is responsible under this Article III is required to be filed as a result of an amendment made to a Joint Return for Federal Income Tax pursuant to an audit adjustment, then the Parties shall cooperate to ensure that such amended Separate Return can be prepared and filed in a manner that preserves confidential information including through the use of third-party preparers.

3.5 Tax Reporting Practices. Except as provided in Section 3.6, with respect to any Tax Return for any taxable period that begins on or before the second anniversary of the Distribution Date with respect to which SpinCo is the Responsible Party, such Tax Return shall be prepared in a manner (i) consistent with past practices, accounting methods, elections and conventions ("Past Practices") used with respect to the Tax Returns in question (unless there is no Reasonable Basis for the use of such Past Practices), and to the extent any items are not covered by Past Practices (or in the event that there is no Reasonable Basis for the use of such Past Practices), in accordance with reasonable Tax accounting practices selected by SpinCo; and (ii) that, to the extent consistent with clause (i), minimizes the overall amount of Taxes due and payable on such Tax Return for all of the Parties by cooperating in making such elections or applications for group or other relief or allowances available in the taxing jurisdiction in which such Tax Return is filed. SpinCo shall not take any action inconsistent with the assumptions made (including with respect to any Tax Item) in determining all estimated or advance payments of Taxes on or prior to the Distribution Date. In addition, SpinCo (i) shall not be permitted, and shall not permit any member of the SpinCo Group, without Parent's prior written consent, to make a change in any of its methods of accounting for Tax purposes for any taxable period that begins on or before the second anniversary of the Distribution Date, and (ii) shall notify Parent of, and consider in good faith any reasonable comments provided by Parent regarding, any such change in method of accounting for any taxable period that begins after the second anniversary of the Distribution Date and on or before the fourth anniversary of the Distribution Date. Such notification and consideration described in clause (ii) of the preceding sentence shall occur prior to the making of any such change in method of accounting.

3.6 Reporting of the Transactions. The Tax treatment of any step in or portion of the Transactions shall be reported on each applicable Tax Return consistently with the Tax Materials and the Tax-Free Status of the Transactions, taking into account the jurisdiction in which such Tax Return is filed, unless there is no Reasonable Basis for such Tax treatment. In the event that a Party shall determine that there is no Reasonable Basis for such Tax treatment, such Party shall notify the other Party no later than twenty (20) Business Days prior to filing the relevant Tax Return, and the Parties shall attempt in good faith to agree on the manner in which the relevant portion of the Transactions shall be reported on such Tax Return.

3.7 Protective Section 336(e) Election. After the date hereof, Parent shall determine, in its sole and absolute discretion, whether to make a protective election under Section 336(e) of the Code and the Treasury Regulations promulgated thereunder (and any corresponding or analogous provisions of state and local Tax Law) in connection with the Distribution with respect to SpinCo and each other member of the SpinCo Group that is a domestic corporation for U.S. federal income tax purposes (a "Section 336(e) Election"). If Parent determines that a Section 336(e) Election would be beneficial:

(a) Parent, SpinCo, and their respective Affiliates shall cooperate in making the Section 336(e) Election, including by filing any statements, amending any Tax Returns, or taking such other actions as are reasonably necessary to carry out the Section 336(e) Election;

(b) if the Distribution fails to qualify (in whole or in part) for the Tax-Free Status of the Transactions and SpinCo or any member of the SpinCo Group realizes an increase in Tax basis as a result of the Section 336(e) Election (the "Section 336(e) Tax Basis"), then the cash Tax savings realized by SpinCo and each member of the SpinCo Group as a result of the Section 336(e) Tax Basis shall be shared between Parent and SpinCo in the same proportion as the Taxes giving rise to the Section 336(e) Tax Basis were borne by Parent and SpinCo (after giving effect to the indemnification obligations in this Agreement); and

(c) to the extent the Section 336(e) Election becomes effective, each Party agrees not to take any position (and to cause each of its Affiliates not to take any position) that is inconsistent with the Section 336(e) Election on any Tax Return, in connection with any Tax Contest, or otherwise, except as may be required by a Final Determination.

3.8 Payment of Taxes.

(a) With respect to any Tax Return required to be filed pursuant to this Agreement, the Responsible Party shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any Taxes due in respect of any such Tax Return.

(b) In the case of any Tax Return for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes reported as due on such Tax Return, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party, and the Party receiving such notice shall pay such amount to the Responsible Party no later than the later of (i) five (5) Business Days prior to the date on which such payment is due, and (ii) fifteen (15) Business Days after the receipt of such notice.

(c) With respect to any estimated Taxes, the Party that is or will be the Responsible Party with respect to any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any estimated Taxes due. In the case of any estimated Taxes for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes that will be reported as due on any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such estimated Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party and the Party receiving such notice shall pay such amount to the Responsible Party no later than the later of (i) five (5) Business Days prior to the date on which such payment is due, and (ii) fifteen (15) Business Days after the receipt of such notice.

3.9 Amended Returns and Carrybacks.

(a) SpinCo shall not, and shall not permit any member of the SpinCo Group to, file or allow to be filed any request for an Adjustment for any Pre-Distribution Period without the prior written consent of Parent, such consent to be exercised in Parent's sole and absolute discretion.

(b) SpinCo shall, and shall cause each member of the SpinCo Group to, make any available elections to waive the right to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period.

(c) SpinCo shall not, and shall cause each member of the SpinCo Group not to, without the prior written consent of Parent, make any affirmative election to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period, such consent to be exercised in Parent's sole and absolute discretion.

(d) Receipt of consent by SpinCo or a member of the SpinCo Group from Parent pursuant to the provisions of this Section 3.9 shall not limit or modify SpinCo's continuing indemnification obligation pursuant to Article V.

3.10 Tax Attributes. Parent shall in good faith advise SpinCo in writing of the amount (if any) of any Tax Attributes which Parent determines, in its sole and absolute discretion, shall be allocated or apportioned to the SpinCo Group under applicable Tax Law. SpinCo and all members of the SpinCo Group shall prepare all Tax Returns in accordance with such written notice. SpinCo agrees that it shall not dispute Parent's determination of Tax Attributes. For the avoidance of doubt, Parent shall not be required in order to comply with this Section 3.10 to create or cause to be created any books and records or reports or other documents based thereon (including, without limitation, any "E&P studies," "basis studies" or similar determinations) that it does not maintain or prepare in the ordinary course of business.

ARTICLE IV

TAX-FREE STATUS OF THE TRANSACTIONS

4.1 Representations and Warranties.

(a) Parent, on behalf of itself and all other members of the Parent Group, hereby represents and warrants that (i) it has examined the IRS Ruling, the IRS Ruling Request, the Tax Opinion, the Tax Certificates, the Separation Step Plan, and any other materials delivered or deliverable in connection with the issuance of the IRS Ruling and the rendering of the Tax Opinion, in each case, as they exist as of the date hereof (collectively, the "Tax Materials"), and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to Parent or any member of the Parent Group or the Parent Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. Parent, on behalf of itself and all other members of the Parent Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to Parent, any member of the Parent Group, or the Parent Business.

(b) SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby represents and warrants that (i) it has examined the Tax Materials, and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to SpinCo or any member of the SpinCo Group or the SpinCo Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to SpinCo, any member of the SpinCo Group, or the SpinCo Business.

(c) Each of Parent, on behalf of itself and all other members of the Parent Group, and SpinCo, on behalf of itself and all other members of the SpinCo Group, represents and warrants that it knows of no fact or circumstance (after due inquiry) that may cause the Transactions to fail to qualify for the Tax-Free Status of the Transactions.

(d) Each of Parent on behalf of itself and all other members of the Parent Group, and SpinCo, on behalf of itself and all other members of the SpinCo Group, represents and warrants that it has no plan or intention to take, fail to take, or cause or permit to be taken any action which is inconsistent with any of the statements or representations made or set forth in the Tax Materials.

4.2 Certain Restrictions Relating to the Tax-Free Status of the Transactions.

(a) SpinCo, on behalf of itself and all other members of the SpinCo Group, hereby covenants and agrees that no member of the SpinCo Group will take, fail to take, or cause or permit to be taken (i) any action where such action or failure to act would be inconsistent with or cause to be untrue any statement, information, covenant, or representation in the Tax Materials, or (ii) any action where such action or failure to act constitutes a SpinCo Disqualifying Action.

(b) During the Restricted Period, SpinCo:

(i) shall (1) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (2) not engage in any transaction that would cause SpinCo to cease to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (3) cause each Affiliate of SpinCo whose Active Trade or Business is relied upon in the Tax Materials for purposes of qualifying a transaction as tax-free pursuant to Section 355 of the Code to maintain its status as a company engaged in such Active Trade or Business for purposes of Section 355(b)(2) of the Code, (4) not engage in any transaction, or cause or permit an Affiliate of SpinCo to engage in any transaction, that would result in an Affiliate of SpinCo described in clause (3) to cease to be a company engaged in the relevant Active Trade or Business for purposes of Section 355(b)(2) of the Code, taking into account Section 355(b)(3) of the Code for purposes of clauses (1) through (4), and (5) not dispose of, or cause or permit an Affiliate of SpinCo to dispose of, directly or indirectly, any interest in an Affiliate of SpinCo described in clause (3);

(ii) shall not voluntarily dissolve or liquidate itself, any Affiliate of SpinCo described in Section 4.2(b)(i), or any Affiliate of SpinCo that that was a party to an Internal Distribution (including any action that is a liquidation for U.S. federal income tax purposes);

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any SpinCo

stock, or rights to acquire SpinCo stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (3) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of SpinCo Capital Stock (including through the conversion of any class of SpinCo Capital Stock into another class of SpinCo Capital Stock), (4) merge or consolidate with any other Person (or cause or permit any Affiliate of SpinCo that was a party to an Internal Distribution to merge or consolidate with any other Person), or (5) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any of the statements and representations made or set forth in the Tax Materials) which in the aggregate, when combined with any other direct or indirect changes in ownership of SpinCo Capital Stock pertinent for purposes of Section 355(e) of the Code, would be reasonably likely to have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in SpinCo (or in any Affiliate of SpinCo that was a party to an Internal Distribution) or otherwise jeopardize the Tax-Free Status of the Transactions; and

(iv) shall not, and shall not cause or permit any member of the SpinCo Group to, sell, transfer, or otherwise dispose of or agree to, sell, transfer or otherwise dispose of (including in any transaction treated for U.S. federal income tax purposes as a sale, transfer, or disposition) assets (including any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than twenty percent (20%) of the consolidated gross assets of SpinCo or the SpinCo Group. The foregoing sentence shall not apply to (1) sales, transfers, or dispositions of assets in the ordinary course of business, (2) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (3) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income tax purposes, or (4) any mandatory or optional repayment (or prepayment) of any indebtedness of SpinCo or any member of the SpinCo Group. The percentages of gross assets or consolidated gross assets of SpinCo or the SpinCo Group, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of SpinCo and the members of the SpinCo Group as of the Distribution Date. For purposes of this Section 4.2(b)(iv), a merger of SpinCo or one of its Subsidiaries with and into any Person that is not a wholly-owned Subsidiary of SpinCo shall constitute a disposition of all of the assets of SpinCo or such Subsidiary.

(c) Notwithstanding the restrictions imposed by Section 4.2(b), SpinCo or a member of the SpinCo Group may take any of the actions or transactions described therein if SpinCo either (i) obtains an Unqualified Tax Opinion in form and substance satisfactory to Parent in its sole and absolute discretion, or (ii) obtains the prior written consent of Parent waiving the requirement that SpinCo obtain an Unqualified Tax Opinion, such waiver to be provided in Parent's sole and absolute discretion. Parent's evaluation of an Unqualified Tax Opinion may consider, among other factors, the appropriateness of any underlying assumptions,

representations, and covenants made in connection with such opinion (and, for the avoidance of doubt, Parent may determine that no opinion would be acceptable to Parent). SpinCo shall bear all costs and expenses of securing any such Unqualified Tax Opinion and shall reimburse Parent for all reasonable out-of-pocket expenses that Parent or any of its Affiliates may incur in good faith in seeking to obtain or evaluate any such Unqualified Tax Opinion. Neither the delivery of an Unqualified Tax Opinion nor Parent's waiver of SpinCo's obligation to deliver an Unqualified Tax Opinion shall limit or modify SpinCo's continuing indemnification obligation pursuant to Article V.

ARTICLE V

INDEMNITY OBLIGATIONS

5.1 Indemnity Obligations. Notwithstanding anything to the contrary in this Agreement:

(a) Parent shall indemnify and hold harmless SpinCo from and against, and will reimburse SpinCo for, (i) all liability for Taxes allocated to Parent pursuant to Article II, (ii) all Taxes and Tax-Related Losses arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any member of the Parent Group pursuant to this Agreement, (iii) all Taxes or Tax-Related Losses resulting from the failure of the Transactions to qualify for the Tax-Free Status of the Transactions, other than those Taxes or Tax Related Losses for which SpinCo is responsible pursuant to Section 5.1(b)(ii) or 5.1(b)(iv), and (iv) the amount of any Refund received by any member of the Parent Group that is allocated to SpinCo pursuant to Section 2.6(a).

(b) Without regard to whether an Unqualified Tax Opinion may have been provided or whether any action is permitted or consented to hereunder and notwithstanding anything else to the contrary contained herein, SpinCo shall indemnify and hold harmless Parent from and against, and will reimburse Parent for, (i) all liability for Taxes allocated to SpinCo pursuant to Article II, (ii) all Taxes and Tax-Related Losses arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any member of the SpinCo Group pursuant to this Agreement, (iii) the amount of any Refund received by any member of the SpinCo Group that is allocated to Parent pursuant to Section 2.6(a), and (iv) any Taxes and Tax-Related Losses attributable to a SpinCo Disqualifying Action (regardless of whether the conditions set forth in Section 4.2(c) are satisfied).

(c) To the extent that any Tax or Tax-Related Loss is subject to indemnity pursuant to both Sections 5.1(a)(ii) (on the one hand) and 5.1(b)(ii) or (iv) (on the other hand), responsibility for such Tax or Tax-Related Loss shall be shared by Parent and SpinCo according to relative fault as determined by Parent in its good faith discretion.

5.2 Indemnification Payments.

(a) Except as otherwise provided in this Agreement, if either Party (the "Indemnitee") is required to pay to a Taxing Authority a Tax or to another Person a payment in respect of a Tax that the other Party (the "Indemnifying Party") is liable for under this Agreement, including as a result of a Final Determination, the Indemnitee shall notify the Indemnifying Party, in writing, of its obligation to pay such Tax and, in reasonably sufficient detail, its calculation of the amount due by such Indemnifying Party to the Indemnitee, including any Tax-Related Losses attributable thereto. The Indemnifying Party shall pay such amount, including any Tax-Related Losses attributable thereto, to the Indemnitee no later than the later of (i) five (5) Business Days prior to the date on which such payment is due to the applicable Taxing Authority, and (ii) fifteen (15) Business Days after the receipt of notice from the other Party.

(b) If, as a result of any change or redetermination, any amount previously allocated to and borne by one Party pursuant to the provisions of Article II is thereafter allocated to the other Party, then, no later than five (5) Business Days after such change or redetermination, such other Party shall pay to the first Party the amount previously borne by such Party which is allocated to such other Party as a result of such change or redetermination.

5.3 Payment Mechanics.

(a) All payments under this Agreement shall be made by Parent directly to SpinCo and by SpinCo directly to Parent; provided, however, that if the Parties mutually agree with respect to any such indemnification payment, any member of the Parent Group, on the one hand, may make such indemnification payment to any member of the SpinCo Group, on the other hand, and vice versa. All indemnification payments shall be treated in the manner described in Section 5.4.

(b) In the case of any payment of Taxes made by a Responsible Party or Indemnitee pursuant to this Agreement for which such Responsible Party or Indemnitee, as the case may be, has received a payment from the other Party, such Responsible Party or Indemnitee shall provide to the other Party a copy of any official government receipt received with respect to the payment of such Taxes to the applicable Taxing Authority (or, if no such official governmental receipts are available, executed bank payment forms or other reasonable evidence of payment).

5.4 Treatment of Payments. The Parties agree that any payment made between the Parties pursuant to this Agreement shall be treated for all U.S. federal income tax purposes, to the extent permitted by Law, as either (i) a non-taxable contribution by Parent to SpinCo, or (ii) a distribution by SpinCo to Parent, and, in the case of any payment made between the Parties pursuant to this Agreement after the Distribution, such payment shall be treated as having been made immediately prior to the Distribution. Notwithstanding the foregoing, Parent shall notify SpinCo if it determines that any payment made pursuant to this Agreement is to be treated, for any Tax purposes, as a payment made by one Party acting as an agent of one of such Party's Subsidiaries to the other Party acting as an agent of one of such other Party's Subsidiaries, and the Parties agree to treat any such payment accordingly. Any Tax indemnity payment made by a Party under this Agreement shall be increased as necessary so that after making all payments in respect of Taxes imposed on or attributable to such indemnity payment, the recipient Party receives an amount equal to the sum it would have received had no such Taxes been imposed.

ARTICLE VI

TAX CONTESTS

6.1 Notice. Each Party shall notify the other Party in writing within ten (10) days after receipt by such Party or any member of its Group of a written communication from any Taxing Authority with respect to any pending or threatened audit, examination, claim, dispute, suit, action, proposed assessment, or other proceeding (a "Tax Contest") concerning any Taxes for which the other Party may be liable pursuant to this Agreement, and thereafter shall promptly forward or make available to such Party copies of notices and communications relating to such Tax Contest. A failure by an Indemnitee to give notice as provided in this Section 6.1 (or to promptly forward any such notices or communications) shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

6.2 Separate Returns. In the case of any Tax Contest with respect to any Separate Return, the Party having the liability for the Tax pursuant to Article II shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest.

6.3 Joint Returns. In the case of any Tax Contest with respect to any Joint Return, Parent shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest.

6.4 Obligation of Continued Notice. During the pendency of any Tax Contest or threatened Tax Contest, each of the Parties shall provide prompt notice to the other Party of any written communication received by it or a member of its respective Group from a Taxing Authority regarding any Tax Contest for which it is indemnified by the other Party hereunder or for which it may be required to indemnify the other Party hereunder. Such notice shall attach copies of the pertinent portion of any written communication from a Taxing Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Taxing Authority in respect of any such matters. Such notice shall be provided in a reasonably timely fashion; provided, however, that in the event that timely notice is not provided, a Party shall be relieved of its obligation to indemnify the other Party only to the extent that such delay results in actual increased costs or actual prejudice to such other Party.

6.5 Settlement Rights. Unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest, (ii) the Controlling Party

shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Taxing Authority or judicial authority in connection with such potential adjustment in such Tax Contest, and (iii) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

ARTICLE VII

COOPERATION

7.1 General.

(a) Each Party shall fully cooperate, and shall cause all members of such Party's Group to fully cooperate, with all reasonable requests in writing from the other Party, or from an agent, representative, or advisor of such Party, in connection with the preparation and filing of any Tax Return, claims for Refunds, the conduct of any Tax Contest, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of either Party or any member of either Party's Group covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter and shall include, without limitation, at each Party's own cost:

(i) the provision of any Tax Returns of either Party or any member of either Party's Group, books, records (including information regarding ownership and Tax basis of property), documentation, and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Taxing Authorities;

(ii) the execution of any document (including any power of attorney) in connection with any Tax Contest of either Party or any member of either Party's Group, or the filing of a Tax Return or a Refund claim of either Party or any member of either Party's Group;

(iii) the use of the Party's commercially reasonable efforts to obtain any documentation in connection with a Tax Matter; and

(iv) the use of the Party's commercially reasonable efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records, or other information in connection with the filing of any Tax Returns of either Party or any member of either Party's Group.

(b) Each Party shall make its employees and facilities available, without charge, on a mutually convenient basis to facilitate such cooperation.

7.2 Consistent Treatment. Unless and until there has been a Final Determination to the contrary, each Party agrees not to take any position on any Tax Return, in connection with any Tax Contest, or otherwise that is inconsistent with (i) the treatment of payments between the Parent Group and the SpinCo Group as set forth in Section 5.4, (ii) the Tax Materials, or (iii) the Tax-Free Status of the Transactions.

ARTICLE VIII

RETENTION OF RECORDS; ACCESS

8.1 Retention of Records. For so long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (i) sixty (60) days after the expiration of any applicable statutes of limitation (including any waivers or extensions thereof), and (ii) seven (7) years after the Distribution Date, the Parties shall retain records, documents, accounting data, and other information (including computer data) necessary for the preparation and filing of all Tax Returns (collectively, "Tax Records") in respect of Taxes of any member of either the Parent Group or the SpinCo Group for any Pre-Distribution Period or Post-Distribution Period or for any Tax Contests relating to such Tax Returns. At any time after the Distribution Date when the Parent Group proposes to destroy any Tax Records, Parent shall first notify SpinCo in writing, and the SpinCo Group shall be entitled to receive such records or documents proposed to be destroyed. At any time after the Distribution Date when the SpinCo Group proposes to destroy any Tax Records, SpinCo shall first notify Parent in writing, and the Parent Group shall be entitled to receive such records or documents proposed to be destroyed. The Parties will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

8.2 Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying, during normal business hours upon reasonable notice, all Tax Records (including, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession. Each of the Parties shall permit the other Party and its Affiliates, authorized agents, and representatives and any representative of a Taxing Authority or other Tax auditor direct access, during normal business hours upon reasonable notice, to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items pursuant to this Agreement. The Party seeking access to the records of the other Party shall bear all costs and expenses associated with such access, including any professional fees.

ARTICLE IX

DISPUTE RESOLUTION

9.1 Dispute Resolution. In the event of any dispute between the Parties as to any matter covered by this Agreement, the Parties shall appoint a nationally recognized independent public accounting firm (the "Accounting Firm") to resolve such dispute. In this regard, the Accounting Firm shall make determinations with respect to the disputed items based solely on representations made by Parent, SpinCo, and their respective representatives, and not by independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve all disputes no later than thirty (30) days after the submission of such dispute to the Accounting Firm, but in no event later than the due date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Parent and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be borne equally by the Parties.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Conflicting Agreements. In the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of the Separation Agreement or any Ancillary Agreement, this Agreement shall control with respect to the subject matter thereof.

10.2 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the payment date.

10.3 Successors. This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to either of the Parties (including but not limited to any successor of Parent or SpinCo succeeding to any Tax Attributes of either Party under Section 381 of the Code), to the same extent as if such successor had been an original party to this Agreement.

10.4 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party.

10.5 No Fiduciary Relationship. The duties and obligations of the Parties, and their respective successors and permitted assigns, contained herein are the extent of the duties and obligations contemplated by this Agreement; nothing in this Agreement is intended to create a fiduciary relationship between the Parties hereto, or any of their successors and permitted assigns, or create any relationship or obligations other than those explicitly described.

10.6 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

10.7 Survival. Notwithstanding any other provision of this Agreement to the contrary, all representations, covenants, and obligations contained in this Agreement, and Liability for breach of any obligations contained herein, shall survive the Separation and Distribution and shall remain in full force and effect.

10.8 Notices. All notices, requests, claims, demands, or other communications under this Agreement shall be in English, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by e-mail (followed by delivery of an original via overnight courier service) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.8):

If to Parent, to:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

If to SpinCo, to:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel, Head of Corporate Development
and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

Any Party may, by notice to the other Party, change the address to which such notices are to be given.

10.9 Distribution Date. This Agreement shall become effective only upon the Distribution Date.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

BECTON, DICKINSON AND COMPANY

By: _____
Name: [ ]
Title: [ ]

EMBECTA CORP.

By: _____
Name: [ ]
Title: [ ]

Exhibit 10.3

FORM OF EMPLOYEE MATTERS AGREEMENT

BY AND BETWEEN

BECTON, DICKINSON AND COMPANY

AND

EMBECTA CORP.

DATED AS OF [•], 2022

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EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT, dated as of [•], 2022 (this "Agreement"), is by and between Becton, Dickinson and Company, a New Jersey corporation ("Parent"), and Embecta Corp., a Delaware corporation ("SpinCo").

R E C I T A L S:

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all of the outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, in order to effectuate the Separation and Distribution, Parent and SpinCo have entered into a Separation Agreement, dated as of [•] (the "Separation Agreement");

WHEREAS, in addition to the matters addressed by the Separation Agreement, the Parties desire to enter into this Agreement to set forth the terms and conditions of certain employment, compensation and benefit matters; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation Agreement and the other Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and Distribution, are being entered into together and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, the following terms have the meanings set forth below, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation Agreement.

"Agreement" shall have the meaning set forth in the Preamble to this Agreement and shall include all Schedules hereto and all amendments, modifications, and changes hereto entered into pursuant to Section 9.08.

"Applicable Exchange" shall mean the securities exchange as may at the applicable time be the principal market for Parent Shares or SpinCo Shares, as applicable.

"Benefit Plan" shall mean any contract, agreement, policy, practice, program, plan, trust, commitment or arrangement providing for benefits, perquisites or compensation of any nature from an employer to any Employee or Former Employee, or to any family member, dependent, or beneficiary of any such Employee or Former Employee, including cash or deferred arrangement plans, profit sharing plans, post-employment programs, pension plans, thrift plans, supplemental pension plans, welfare plans, stock option, stock purchase, stock appreciation rights, restricted stock, restricted stock units, performance stock units, other equity-based compensation and contracts, agreements, policies, practices, programs, plans, trusts, commitments and arrangements providing for terms of employment, fringe benefits, severance benefits, change in control protections or benefits, travel and accident, life, accidental death and dismemberment, disability and accident insurance, tuition reimbursement, adoption assistance, travel reimbursement, vacation, sick, personal or bereavement days, leaves of absences and holidays; provided, however, that the term "Benefit Plan" does not include any government-sponsored benefits, such as workers' compensation, unemployment or any similar plans, programs, policies or individual agreements.

"COBRA" shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 *et seq*. of ERISA and at Section 4980B of the Code.

"Distribution" shall have the meaning set forth in the Recitals.

"Employee" shall mean any Parent Group Employee or SpinCo Group Employee.

"ERISA" shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Former Employee" shall mean any individual who is a former employee of the Parent Group as of the Effective Time and who is not a SpinCo Group Employee.

"Group" shall mean either the SpinCo Group or the Parent Group, as the context requires.

"HIPAA" shall mean the U.S. Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.

"Individual Agreement" shall mean any individual (a) employment contract or offer letter, (b) retention, severance or change in control agreement, (c) expatriate (including any international assignee) contract or agreement (including agreements and obligations regarding repatriation, relocation, equalization of Taxes and living standards in the host country), or (d) other agreement containing restrictive covenants (including confidentiality, non-competition and non-solicitation provisions) between a member of the Parent Group and a SpinCo Group Employee, as in effect immediately prior to the Effective Time.

"Labor Agreement" shall have the meaning set forth in Section 2.01.

"Parent" shall have the meaning set forth in the Preamble.

"Parent 401(k) Plan" shall mean the BD 401(k) Plan.

"Parent Awards" shall mean Parent SAR Awards, Parent PSU Awards, and Parent TVU Awards, collectively.

"Parent Benefit Plan" shall mean any Benefit Plan established, sponsored or maintained by Parent or any of its Subsidiaries immediately prior to the Effective Time, but excluding any SpinCo Benefit Plan.

"Parent Board" shall have the meaning set forth in the Recitals.

"Parent Compensation Committee" shall mean the Compensation Committee of the Parent Board.

"Parent Deferred Compensation Plan" shall mean the Deferred Compensation and Retirement Benefit Restoration Plan.

"Parent Directors' Plan" shall mean the 1996 Directors' Deferral Plan.

"Parent Defined Benefit Plan" shall mean the BD Retirement Plan.

"Parent Group Employees" shall have the meaning set forth in Section 3.01(a)(ii).

"Parent LTIP" shall mean the 2004 Employee and Director Equity-Based Compensation Plan and the Stock Award Plan.

"Parent Non-Employee Director" means an individual who serves or served as a non-employee director of the Parent Board.

"Parent PSU Award" shall mean an award of performance-based restricted stock units granted pursuant to a Parent LTIP that is outstanding as of immediately prior to the Effective Time.

"Parent Ratio" shall mean the quotient obtained by dividing (a) the Pre-Separation Parent Stock Value by (b) the Post-Separation Parent Stock Value.

"Parent TVU Award" shall mean an award of time-based restricted stock units granted pursuant to a Parent LTIP that is outstanding as of immediately prior to the Effective Time.

"Parent SAR" shall mean a stock appreciation right corresponding to shares of common stock of Parent granted under a Parent LTIP that is outstanding as of immediately prior to the Effective Time.

"Parent Welfare Plan" shall mean any Parent Benefit Plan which is a Welfare Plan.

"Parties" shall mean the parties to this Agreement.

"Post-Separation Parent Awards" shall mean Post-Separation Parent SAR Awards, and Post-Separation Parent TVU Awards, collectively.

"Post-Separation Parent TVU Award" shall mean a Parent TVU Award adjusted as of the Effective Time in accordance with Section 4.02(b).

"Post-Separation Parent SAR Award" shall mean a Parent SAR Award adjusted as of the Effective Time in accordance with Section 4.02(a).

"Post-Separation Parent Stock Value" shall mean the volume-weighted average trading price of Parent Shares trading on the Applicable Exchange on the trading day that immediately follows the effective time of the Distribution, as reported by Bloomberg, L.P.

"Pre-Separation Parent Stock Value" shall mean the closing price of Parent Shares trading on the Applicable Exchange on the trading day that immediately precedes the effective time of the Distribution, as reported by Bloomberg, L.P.

"QDRO" shall mean a qualified domestic relations order within the meaning of Section 206(d) of ERISA and Section 414(p) of the Code.

"Requesting Party" shall have the meaning set forth in Section 9.05.

"Restricted Employees" shall have the meaning set forth in Section 3.03.

"Separation" shall have the meaning set forth in the Recitals.

"Separation Agreement" shall have the meaning set forth in the Recitals.

"SpinCo" shall have the meaning set forth in the Preamble.

"SpinCo 401(k) Plan" shall mean The Embecta 401(k) Plan.

"SpinCo 401(k) Trust" shall have the meaning set forth in Section 5.01(a).

"SpinCo Awards" shall mean SpinCo SAR Awards and SpinCo TVU Awards, collectively.

"SpinCo Benefit Plan" shall mean any Benefit Plan established, sponsored, maintained or contributed to by a member of the SpinCo Group as of or after the Effective Time, including any Benefit Plans retained or adopted by SpinCo pursuant to Section 2.03(a) and Section 2.03(b).

"SpinCo Deferred Compensation Plan" shall mean the SpinCo Deferred Compensation Plan, to be adopted by SpinCo as of the Effective Time pursuant to Section 2.03(a) and Article VI.

"SpinCo Delayed Employment Period" shall have the meaning set forth in Section 3.03.

"SpinCo Delayed Transfer Employee" shall have the meaning set forth in Section 3.03.

"SpinCo Directors' Plan" shall mean the SpinCo Directors' Plan, to be adopted by SpinCo as of the Effective Time pursuant to Section 2.03(a) and Article VI.

"SpinCo Group Employees" shall have the meaning set forth in Section 3.01(a)(i).

"SpinCo LTIP" shall mean the Embecta 2022 Employee and Director Equity-Based Compensation Plan, as established by SpinCo as of the Effective Time pursuant to Section 2.03(a) and Section 4.01.

"SpinCo PTO Plan" shall mean the plan established by SpinCo that provides paid time off benefits.

"SpinCo Restricted Stock Awards" shall mean an award of restricted stock assumed by SpinCo pursuant to the SpinCo LTIP in accordance with Section 4.02(c)(ii).

"SpinCo Ratio" shall mean the quotient obtained by dividing (a) the Pre-Separation Parent Stock Value by (b) the SpinCo Stock Value.

"SpinCo Severance Plan" shall mean the plan established by SpinCo that provides severance and unemployment compensation benefits.

"SpinCo TVU Award" shall mean an award of time-based restricted stock units assumed pursuant to the SpinCo LTIP in accordance with Section 4.02(b)(ii) or Section 4.02(c)(ii).

"SpinCo SAR Award" shall mean an award of stock appreciation rights assumed pursuant to the SpinCo LTIP in accordance with Section 4.02(a)(ii).

"SpinCo Stock Value" shall mean the volume-weighted average trading price of SpinCo Shares trading on the Applicable Exchange on the trading day that immediately follows the effective time of the Distribution, as reported by Bloomberg, L.P.

"SpinCo Welfare Plan" shall mean a Welfare Plan established, sponsored, maintained or contributed to by any member of the SpinCo Group for the benefit of SpinCo Group Employees.

"Trading Sessions" shall mean the period of time during any given calendar day, commencing with the determination of the opening price on the Applicable Exchange and ending with the determination of the closing per-share price on the Applicable Exchange, in which trading in Parent Shares or SpinCo Shares (as applicable) is permitted on the Applicable Exchange.

"Transferred Account Balances" shall have the meaning set forth in Section 7.01(d).

"Transferred Director" shall mean each SpinCo non-employee director as of the Effective Time who served on the Parent Board immediately prior to the Effective Time.

"Welfare Plan" shall mean any "welfare plan" (as defined in Section 3(1) of ERISA) or a "cafeteria plan" under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision, mental health, substance abuse and retiree health), disability benefits, or life, accidental death and dismemberment, and business travel insurance, pre-Tax premium conversion benefits, dependent care assistance programs, employee assistance programs, contribution funding toward a health savings account, or flexible spending accounts.

"Welfare Transition Services Agreement" shall mean the Transition Services Agreement contemplated under Section 7.01.

ARTICLE II
GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES

Section 2.01. General Principles. All provisions herein shall be subject to the requirements of all applicable Law and any collective bargaining, works council or similar agreement or arrangement with any labor union, works council or other labor representative (each, a "Labor Agreement"). Notwithstanding anything in this Agreement to the contrary, if the terms of a Labor Agreement or applicable Law require that any Assets or Liabilities be retained or assumed by, or transferred to, a Party in a manner that is different than what is set forth in this Agreement, such retention, assumption or transfer shall be made in accordance with the terms of such Labor Agreement and applicable Law and shall not be made as otherwise set forth in this Agreement; provided that, in such case, the Parties shall take all necessary action to preserve the economic terms of the allocation of Assets and Liabilities contemplated by this Agreement. The provisions of this Agreement shall apply in respect of all jurisdictions.

(a) *Acceptance and Assumption of SpinCo Liabilities*. Except as otherwise provided by this Agreement (and without limitation of Parent's and SpinCo's obligations under transition services arrangements), on or prior to the Effective Time, but in any case prior to the Distribution, SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all of the following Liabilities in accordance with their respective terms (each of which shall be considered a SpinCo Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation, equity compensation, commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any SpinCo Group Employees after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims under a SpinCo Benefit Plan, taking into account the SpinCo Benefit Plan's assumption of Liabilities with respect to SpinCo Group Employees that were originally the Liabilities of the corresponding Parent Benefit Plan with respect to periods prior to the Effective Time;

(iii) any and all Liabilities arising out of, relating to or resulting from the employment, or termination of employment of all SpinCo Group Employees; and

(iv) any and all Liabilities expressly assumed or retained by any member of the SpinCo Group pursuant to this Agreement.

(b) *Acceptance and Assumption of Parent Liabilities*. Except as otherwise provided by this Agreement, on or prior to the Effective Time, but in any case prior to the Distribution, Parent and certain members of the Parent Group designated by Parent shall accept, assume and agree faithfully to perform, discharge and fulfill all of the following Liabilities in accordance with their respective terms (each of which shall be considered a Parent Liability), regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, at or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Parent's or SpinCo's respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Parent Group or the SpinCo Group, or any of their respective directors, officers, Employees, Former Employees, agents, Subsidiaries or Affiliates:

(i) any and all wages, salaries, incentive compensation, equity compensation, commissions, bonuses and any other employee compensation or benefits payable to or on behalf of any Parent Group Employees and Former Employees after the Effective Time, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses or other employee compensation or benefits are or may have been awarded or earned;

(ii) any and all Liabilities whatsoever with respect to claims under a Parent Benefit Plan, taking into account a corresponding SpinCo Benefit Plan's assumption of Liabilities with respect to SpinCo Group Employees that were originally the Liabilities of such Parent Benefit Plan with respect to periods prior to the Effective Time;

(iii) any and all Liabilities arising out of, relating to or resulting from the employment, or termination of employment of all Parent Group Employees and Former Employees; and

(iv) any and all Liabilities expressly assumed or retained by any member of the Parent Group pursuant to this Agreement.

(c) *Unaddressed Liabilities.* Nothing in this Agreement shall require a transfer of Liabilities with respect to a Benefit Plan except as specifically set forth herein or as otherwise required by applicable Law. To the extent that this Agreement does not address particular Liabilities under any Benefit Plan and the Parties later determine that they should be allocated in connection with the Distribution, the Parties shall agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

(d) *Non-U.S. Employees*. SpinCo Group Employees who are residents outside of the United States or otherwise are subject to non-U.S. Law and their related benefits and Liabilities shall be treated in the same manner as the SpinCo Group Employees, respectively, who are residents of the United States and are not subject to non-U.S. Law. Notwithstanding anything in this Agreement to the contrary, all actions taken with respect to non-U.S. Employees or U.S. Employees working in non-U.S. jurisdictions, including any action under a Benefit Plan, shall be subject to and accomplished in accordance with applicable Law in the custom of the applicable jurisdictions and SpinCo may make such changes, modifications or amendments to the SpinCo Benefit Plans as may be required by applicable Law, vendor limitations or as are necessary to reflect the Separation.

Section 2.02. Service Credit. As of the Effective Time, the SpinCo Benefit Plans shall, and SpinCo shall cause each member of the SpinCo Group to, recognize each SpinCo Group Employee's full service with Parent or any of its Subsidiaries or predecessor entities at or before the Effective Time, to the same extent that such service was recognized by Parent for similar purposes prior to the Effective Time as if such full service had been performed for a member of the SpinCo Group, for purposes of eligibility, vesting and determination of level of benefits under any SpinCo Benefit Plans.

Section 2.03. Adoption and Transfer and Assumption of Benefit Plans.

(a) *Adoption by SpinCo of Benefit Plans.* As of no later than the Effective Time (or such other time as is set forth herein), SpinCo shall, or shall cause the members of the SpinCo Group to, adopt Benefit Plans (and related trusts), to the extent applicable, as contemplated and in accordance with the terms of this Agreement, which Benefit Plans are generally intended to contain terms substantially similar in all material respects to those of the corresponding Parent Benefit Plans as in effect immediately prior to the Effective Time.

(b) *Retention by SpinCo of SpinCo Plans*. From and after the Effective Time, SpinCo shall retain all of the SpinCo Benefits Plans, including all related Liabilities and Assets, and any related trusts and other funding vehicles and insurance contracts of any of such plans other than as specifically provided in this Agreement; provided, however, that SpinCo may make such changes, modifications or amendments to the SpinCo Benefit Plans as may be required by applicable Law or to reflect the Separation Agreement, including limiting participation in any such SpinCo Benefit Plan to SpinCo Group Employees who participated in the corresponding Parent Benefit Plan immediately prior to the Effective Time. Nothing in this Agreement shall preclude SpinCo, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any SpinCo Benefit Plan, any benefit under any SpinCo Benefit Plan or any trust, insurance policy or funding vehicle related to any SpinCo Benefit Plan, or any employment or other service arrangement with SpinCo Group Employees, independent contractors or vendors (to the extent permitted by law).

(c) *Plans Not Required to Be Adopted*. With respect to any Benefit Plan not addressed in this Agreement, the Parties shall agree in good faith on the treatment of such plan taking into account the handling of any comparable plan under this Agreement and, notwithstanding that SpinCo shall not have an obligation to continue to maintain any such plan with respect to the provision of future benefits from and after the Effective Time, SpinCo shall remain obligated to pay or provide any previously accrued or incurred benefits to the SpinCo Group Employees consistent with Section 2.01(a) of this Agreement.

(d) *Information and Operation*. Each Party shall use its commercially reasonable efforts to provide the other Party with information describing each Benefit Plan election made by an Employee or Former Employee that may have application to such Party's Benefit Plans from and after the Effective Time, and each Party shall use its commercially reasonable efforts to administer its Benefit Plans using those elections, including any beneficiary designations. Each Party shall, upon reasonable request, use its commercially reasonable efforts to provide the other Party and the other Party's respective Affiliates, agents, and vendors all information reasonably necessary to the other Party's operation or administration of its Benefit Plans.

(e) *No Duplication or Acceleration of Benefits.* Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or any Ancillary Agreement, no participant in any Benefit Plan shall receive service credit or benefits to the extent that receipt of such service credit or benefits would result in duplication of benefits provided to such participant by the corresponding Benefit Plan or any other plan, program or arrangement sponsored or maintained by a member of the Group that sponsors the corresponding Benefit Plan. Furthermore, unless expressly provided for in this Agreement, the Separation Agreement or in any Ancillary Agreement or required by applicable Law, no provision in this Agreement shall be construed to create any right to accelerate vesting distributions or entitlements under any Benefit Plan sponsored or maintained by a member of the Parent Group or member of the SpinCo Group on the part of any Employee or Former Employee.

(f) *Transition Services*. The Parties acknowledge that, in addition to the Welfare Transition Services Agreement, the Parent Group or the SpinCo Group may provide administrative services for certain of the other Party's compensation and benefit programs for a transitional period under the terms of the Transition Services Agreement. The Parties agree to enter into a business associate agreement (if required by HIPAA or other applicable health information privacy Laws) in connection with such Transition Services Agreement.

(g) *Beneficiaries*. References to Parent Group Employees, Former Employees, SpinCo Group Employees, and current and former non-employee directors of either Parent or SpinCo shall be deemed to refer to their beneficiaries, dependents, survivors and alternate payees, as applicable.

ARTICLE III
ASSIGNMENT OF EMPLOYEES

Section 3.01. Active Employees.

(a) *Assignment and Transfer of Employees.* Effective as of no later than the Effective Time and except as otherwise agreed by the Parties, (i) the applicable member of the Parent Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the SpinCo Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or leave of absence approved by the Parent Human Resources department or otherwise taken in accordance with applicable Law) (collectively, the "SpinCo Group Employees") is employed by a member of the SpinCo Group as of immediately after the Effective Time and (ii) the applicable member of the Parent Group shall have taken such actions as are necessary to ensure that each individual who is intended to be an employee of the Parent Group as of immediately after the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury or leave of absence approved by the Parent Human Resources department or otherwise taken in accordance with applicable Law) and any other individual employed by the Parent Group as of the Effective Time who is not a SpinCo Group Employee (collectively, the "Parent Group Employees") is employed by a member of the Parent Group as of immediately after the Effective Time. Each of the Parties agrees to execute, and to seek to have the applicable Employees execute, such documentation, if any, as may be necessary to reflect such assignment and/or transfer.

(b) *Employees with Work Visas or Permits; License to Do Business*. Notwithstanding anything to the contrary in this Section 3.01, a SpinCo Employee who, immediately prior to the Effective Time, is employed pursuant to a work or training visa or permit that authorizes employment only by a member of the Parent Group shall remain employed by such member of the Parent Group following the Effective Time until the visa or permit is amended or a new visa or permit is granted to authorize employment by a member of the SpinCo Group. Any such SpinCo Employee shall be treated as a SpinCo Delayed Transfer Employee for purposes of this Agreement. As of the Effective Time, the applicable member of the Parent Group shall cease to serve and SpinCo shall commence to serve as the sponsoring and petitioning employer for U.S. immigration law purposes with respect to Delayed SpinCo Employees. SpinCo shall assume all immigration-related obligations and liabilities that have arisen or will hereafter arise in connection with the submission of petitions, applications or other filings to certain US government authorities within the U.S. Department of Homeland Security (U.S. Citizenship and Immigration Services, Immigration and Customs Enforcement, and Customs and Border Protection), the U.S. Department of Labor or the U.S. Department of State (including any U.S. embassy or consular post) requesting the grant of employment-based nonimmigrant and immigrant visa benefits on behalf of these persons. The Parties intend that SpinCo (by agreeing to employ the SpinCo Employees and agreeing, as a sponsoring employer, to assume the immigration-related obligations and liabilities described above) shall be considered the successor in interest to the applicable member of the Parent Group for U.S. immigration law.

(c) *At-Will Status.* Nothing in this Agreement shall create any obligation on the part of any member of the Parent Group or any member of the SpinCo Group to (i) continue the employment of any Employee or permit the return from a leave of absence for any period after the date of this Agreement (except as required by applicable Law) or (ii) change the employment status of any Employee from "at-will," to the extent that such Employee is an "at-will" employee under applicable Law. Except as provided in this Agreement, this Agreement shall not limit the ability of the Parent Group or the SpinCo Group to change the position, compensation or benefits of any Employees for performance-related, business or any other reason.

(d) *Severance.* The Parties acknowledge and agree that the Separation, the Distribution and the assignment, transfer or continuation of the employment of Employees as contemplated by this Section 3.01 shall not be deemed an involuntary termination of employment entitling any SpinCo Group Employee or Parent Group Employee to severance payments or benefits, except as otherwise required by applicable Laws.

(e) *Not a Change in Control.* The Parties acknowledge and agree that neither the consummation of the Separation, the Distribution nor any transaction contemplated by this Agreement, the Separation Agreement or any other Ancillary Agreement shall be deemed a "change in control," "change of control" or term of similar import for purposes of any Benefit Plan sponsored or maintained by any member of the Parent Group or member of the SpinCo Group and except as provided in this Agreement or as otherwise required by applicable law or Individual Agreement, no provision of this Agreement shall be construed to accelerate any vesting or create a right or entitlement to any compensation or benefits on the part of any Employee.

(f) *Payroll and Related Taxes.* SpinCo shall (i) be responsible for all payroll obligations, Tax withholding and reporting obligations, and associated government audit assessments; and (ii) furnish a Form W-2 or similar earnings statement, in each case, for all Employees employed by a member of the SpinCo Group with respect to the period during which they were employed by a member of the SpinCo Group before the Distribution Date and for all SpinCo Group Employees following the Effective Time. Parent shall (A) be responsible for all payroll obligations, Tax withholding and reporting obligations, and associated government audit assessments; and (B) furnish a Form W-2 or similar earnings statement, in each case, for all Employees employed by a member of the Parent Group with respect to the period during which they were employed by a member of the Parent Group before Distribution Date and for all Parent Group Employees following the Effective Time.

Section 3.02. Individual Agreements.

(a) *Assignment by Parent or SpinCo.* To the extent necessary, Parent shall assign, or cause an applicable member of the Parent Group to assign, to SpinCo or another member of the SpinCo Group, as designated by SpinCo, Individual Agreements, with such assignment to be effective as of no later than the Distribution Date; provided, however, that to the extent that assignment of any such Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Distribution Date, each member of the SpinCo Group shall be considered to be a successor to each member of the Parent Group, for purposes of, and a third-party beneficiary with respect to, such agreement, such that each member of the SpinCo Group shall enjoy all of the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary), with respect to the business operations of the SpinCo Group; provided, further, that in no event shall Parent be permitted to enforce any Individual Agreement (including any agreement containing non-competition or non-solicitation covenants) against a SpinCo Employee for action taken in such individual's capacity as a SpinCo Employee other than on behalf of the SpinCo Group as requested by the SpinCo Group in its capacity as a third-party beneficiary.

(b) *Assumption by SpinCo and Parent.* Effective as of no later than the Distribution Date, SpinCo shall, or shall cause the members of the SpinCo Group to, assume and honor any Individual Agreement, including any obligations thereunder to which any SpinCo Group Employee is a party with any member of the Parent Group.

Section 3.03. SpinCo Delayed Transfer Employees. In the case of a SpinCo Employee who is employed by a member of the Parent Group as of immediately prior to the Effective Time and whose employment cannot commence with, or be transferred to, the SpinCo Group or whose transfer of employment to the SpinCo Group is otherwise delayed (a "SpinCo Delayed Transfer Employee"), the Parties shall cooperate in good faith to cause such SpinCo Delayed Transfer Employee to provide services to the SpinCo Group while remaining employed by the Parent Group until such time as such SpinCo Delayed Transfer Employee's employment can be transferred to the SpinCo Group or otherwise terminates with the Parent Group. The Parties shall cooperate in good faith to cause each SpinCo Delayed Transfer Employee to commence employment with a member of the SpinCo Group as soon as reasonably practicable following the Closing Date as permitted by applicable Law in such a manner that, to the maximum extent practical, does not trigger the right of such SpinCo Employee to redundancy, severance, termination or similar pay and is otherwise consistent with the terms and conditions of this Agreement and applicable Law or Labor Agreement. In respect of the SpinCo Delayed Transfer Employees, unless otherwise specified, references to "Effective Time" and "Distribution Date" shall be treated as references to the first date and time at which the applicable SpinCo Delayed Transfer Employee's employment commences with or transfers to a member of the SpinCo Group. Notwithstanding the delayed transfer of a SpinCo Delayed Transfer Employee, from and after the Effective Time or, if earlier, the date of the applicable SpinCo Delayed Transfer Employee's termination of employment (the "SpinCo Delayed Employment Period"), any Liability related to a SpinCo Delayed Transfer Employee in respect of the SpinCo Delayed Employment Period (including with respect to compensation and benefits paid by Parent) shall be considered a SpinCo Liability; provided that, during such period, the SpinCo Group shall receive the benefit of such SpinCo Delayed Transfer Employee's services.

Section 3.04. Consultation with Labor Representatives; Labor Agreements. The Parties shall cooperate to notify, inform and/or consult with any labor union, works council or other labor representative regarding the Separation and Distributions to the extent required by Law or a Labor Agreement. No later than as of immediately before the Effective Time, (a) SpinCo shall have taken, or caused another member of the SpinCo Group to take, all actions that are necessary (if any) for SpinCo or another member of the SpinCo Group to (i) assume any Labor Agreements in effect with respect to SpinCo Group Employees (excluding obligations thereunder with respect to any Parent Group Employees or Former Employees, to the extent applicable) and (ii) unless otherwise provided in this Agreement, assume and honor any obligations of the Parent Group under any Labor Agreements as such obligations relate to SpinCo Group Employees, and (b) Parent shall have taken, or caused another member of the Parent Group to take, all actions that are necessary (if any) for Parent or another member of the Parent Group to (i) assume any Labor Agreements in effect with respect to Parent Employees and Former Employees (excluding obligations thereunder with respect to any SpinCo Group Employees) and (ii) assume and honor any obligations of the SpinCo Group under any Labor Agreements as such obligations relate to Parent Group Employees and Former Employees.

Section 3.05. Non-Solicitation.

(a) Each Party agrees that, for a period of 24 months from the Effective Time, such Party shall, and shall cause each member in its Group, to not solicit for employment, or hire, any individual who is an employee of a member of the other Group as of immediately prior to the Effective Time ("Restricted Employees"); provided that the foregoing restrictions shall not apply to: (i) any Restricted Employee who terminates employment at least 12 months prior to the applicable solicitation or hire, (ii) the solicitation or hire of a Person whose employment was involuntarily terminated by the employing Party in a severance qualifying termination before the employment discussions with the soliciting or hiring Party commenced, and (iii) any Restricted Employee whose prospective employment is agreed to in writing by both the Chief Human Resources Officer of the soliciting Party and the Chief Human Resources Officer of the employing Party, or in the case of a Restricted Employee who is not currently employed, the Party who last employed Restricted Employee. The Parties acknowledge that certain Parent Employees will be providing transition services to the SpinCo Group, and the SpinCo Group may desire to offer such Parent Employees employment with the SpinCo Group following the conclusion of the applicable transition services period, and the Parties agree to cooperate in good faith to consider authorization of exceptions to this provision with respect to such Parent Employees.

(b) *Remedies; Enforcement*. Each Party acknowledges and agrees that (i) injury to the employing Party from any breach by the other Party of the obligations set forth in this Section 3.05 would be irreparable and impossible to measure and (ii) the remedies at Law for any breach or threatened breach of this Section 3.05, including monetary damages, would therefore be inadequate compensation for any loss and the employing Party shall have the right to specific performance and injunctive or other equitable relief in accordance with this Section 3.05, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. Each Party understands and acknowledges that the restrictive covenants and other agreements contained in this Section 3.05 are an essential part of this Agreement and the transactions contemplated hereby. It is the intent of the Parties that the provisions of this Section 3.05 shall be enforced to the fullest extent permissible under applicable Law applied in each jurisdiction in which enforcement is sought. If any particular provision or portion of this Section 3.05 shall be adjudicated to be invalid or unenforceable, such provision or portion thereof shall be deemed amended to the minimum extent necessary to render such provision or portion valid and enforceable, such amendment to apply only with respect to the operation of such provision or portion thereof in the particular jurisdiction in which such adjudication is made.

ARTICLE IV
EQUITY, INCENTIVE AND EXECUTIVE COMPENSATION

Section 4.01. Generally. Each Parent Award that is outstanding as of immediately prior to the Effective Time shall be adjusted as described below; provided, however, effective immediately prior to the Effective Time, the Parent Compensation Committee may provide for different adjustments with respect to some or all Parent Awards to the extent that the Parent Compensation Committee deems such adjustments necessary and appropriate. Any adjustments made by the Parent Compensation Committee pursuant to the foregoing sentence shall be deemed incorporated by reference herein as if fully set forth below and shall be binding on the Parties and their respective Affiliates. Before the Effective Time, the SpinCo LTIP shall be established, with such terms as are necessary to permit the implementation of the provisions of Section 4.02.

Section 4.02. Equity Incentive Awards.

(a) *SAR Awards*. Each Parent SAR Award that is outstanding as of immediately prior to the Effective Time shall be treated as follows:

(i) *Parent Group Employee or Former Employee*. If the holder is a Parent Group Employee or Former Employee, such award shall be converted, as of the Effective Time, into a Post-Separation Parent SAR Award and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to vesting and expiration) after the Effective Time as were applicable to such Parent SAR Award immediately prior to the Effective Time; provided, however, that from and after the Effective Time:

(A) the number of Parent Shares underlying such Post-Separation Parent SAR Award shall be equal to the product, rounded down to the nearest whole share, of (I) the number of Parent Shares underlying the corresponding Parent SAR Award immediately prior to the Effective Time, *multiplied by* (II) the Parent Ratio; and

(B) the per-share exercise price of such Post-Separation Parent SAR Award shall be equal to the quotient, rounded up to the nearest cent, of (I) the per-share exercise price of the corresponding Parent SAR Award immediately prior to the Effective Time, *divided by* (II) the Parent Ratio.

Notwithstanding anything to the contrary in this Section 4.02(a), the exercise price, the number of Parent Shares underlying each Post-Separation Parent SAR Award and the terms and conditions of exercise of such awards shall be determined in a manner consistent with the requirements of Section 409A of the Code.

(ii) *SpinCo Group Employee*. If the holder is a SpinCo Group Employee, such award shall be converted, as of the Effective Time, into a SpinCo SAR Award and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to vesting and expiration) after the Effective Time as were applicable to such Parent SAR Award immediately prior to the Effective Time; provided, however, that from and after the Effective Time:

(A) the number of SpinCo Shares underlying such SpinCo SAR Award shall be equal to the product, rounded down to the nearest whole share, of (I) the number of Parent Shares subject to the corresponding Parent SAR Award immediately prior to the Effective Time, *multiplied by* (II) the SpinCo Ratio; and

(B) the per-share exercise price of such SpinCo SAR Award shall be equal to the quotient, rounded up to the nearest cent, of (I) the per-share exercise price of the corresponding Parent SAR Award immediately prior to the Effective Time, *divided by* (II) the SpinCo Ratio.

Notwithstanding anything to the contrary in this Section 4.02(a), the exercise price, the number of SpinCo Shares underlying each SpinCo SAR Award and the terms and conditions of exercise of such awards shall be determined in a manner consistent with the requirements of Section 409A of the Code.

(b) *TVU Awards*. Each Parent TVU Award that is outstanding as of immediately prior to the Effective Time shall be treated as follows:

(i) *Parent Group Employee*. If the holder is a Parent Group Employee, or Parent Non-Employee Director (other than a Transferred Director) such award shall be converted, as of the Effective Time, into a Post-Separation Parent TVU Award and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to vesting and settlement) after the Effective Time as were applicable to such Parent TVU Award immediately prior to the Effective Time; provided, however, that from and after the Effective Time, the number of Parent Shares subject to such Post-Separation Parent TVU Award shall be equal to the product, rounded to the nearest whole share, of (A) the number of Parent Shares subject to the corresponding Parent TVU Award immediately prior to the Effective Time, *multiplied by* (B) the Parent Ratio.

(ii) *SpinCo Group Employee*. If the holder is a SpinCo Group Employee, such award shall be converted, as of the Effective Time, into a SpinCo TVU Award and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to settlement and vesting) after the Effective Time as were applicable to such Parent TVU Award immediately prior to the Effective Time; provided, however, that from and after the Effective Time, the number of SpinCo Shares subject to such SpinCo TVU Award shall be equal to the product, rounded to the nearest whole share, of (A) the number of Parent Shares subject to the corresponding Parent TVU Award immediately prior to the Effective Time, *multiplied by* (B) the SpinCo Ratio.

(c) *PSU Awards*. As of the Effective Time, Parent PSU Awards shall be treated as set forth below.

(i) *Parent Group Employee*. If the holder is a Parent Group Employee, such award shall remain subject to the same terms and conditions (including with respect to vesting and settlement) after the Effective Time as were applicable to such Parent Performance Award immediately prior to the Effective Time; provided, however, that from and after the Effective Time, the number of Parent Shares subject to such Parent PSU Award shall be equal to the product, rounded to the nearest whole share, of (A) the number of Parent Shares subject to such Parent PSU Award immediately prior to the Effective Time, *multiplied by* (B) the Parent Ratio; and, provided, further, that the Compensation Committee of the Parent Board may authorize such adjustments to the performance goals underlying the applicable Parent PSU Award as it determines to be appropriate to reflect the impact of the Separation.

(ii) *SpinCo Group Employee*. Prior to the Effective Time, the Parent Board shall determine the level of performance achieved with respect to each Parent PSU Award held by a SpinCo Group Employee that is outstanding as of immediately prior to the Effective Time and shall determine the resulting number of Parent Shares that shall remain subject to such Parent PSU Award (with the remaining Parent Shares subject to such Parent PSU Award shall be forfeited). Such award shall be converted, as of the Effective Time, into a SpinCo TVU Award and shall, except as otherwise provided in this Section 4.02, be subject to the same terms and conditions (including with respect to vesting and settlement) after the Effective Time as were applicable to such Parent PSU Award immediately prior to the Effective Time (other than with respect to performance conditions); provided, however, that from and after the Effective Time, the number of SpinCo Shares subject to such SpinCo TVU Award shall be equal to the product, rounded to the nearest whole share, of (A) the number of Parent Shares subject to the corresponding Parent PSU Award immediately prior to the Effective Time (based on the level of performance determined by Parent Board), *multiplied by* (B) the SpinCo Ratio.

(d) *Miscellaneous Award Terms*.

(i) None of the Separation, the Distribution or any employment transfer described in Section 3.01(a) shall constitute a termination of employment for any Employee for purposes of any Post-Separation Parent Award or any SpinCo Award.

(ii) After the Effective Time, for any award adjusted under this Section 4.02, any reference to a "change in control," "change of control" or similar definition in an award agreement, employment agreement or Parent LTIP applicable to such award, (x) with respect to Post-Separation Parent Awards, shall be deemed to refer to a "change in control," "change of control" or similar definition as set forth in the applicable award agreement, employment agreement or Parent Omnibus Plan, and (y) with respect to SpinCo Awards, shall be deemed to refer to a "Change in Control" as defined in the SpinCo LTIP.

(iii) For purposes of rounding fractional shares under Section 4.02(b) through (e), a fractional share which equals less than one-half of a share shall be rounded down to the nearest whole share and a fraction share that is equal to or greater than one-half of a share shall be rounded up to the nearest whole share.

(e) *Settlement; Tax Reporting and Withholding.*

(i) After the Effective Time, Post-Separation Parent Awards, regardless of by whom held, shall be settled by Parent, and SpinCo Awards, regardless of by whom held, shall be settled by SpinCo.

(ii) Upon the vesting, payment or settlement, as applicable, of Post-Separation Parent Awards, Parent shall be solely responsible for ensuring the satisfaction of all applicable Tax withholding requirements on behalf of each Former Employee. Following the Effective Time, if any Post-Separation Parent Award shall fail to become vested, such Post-Separation Parent Award shall be forfeited to Parent, and if any SpinCo Award shall fail to become vested, such SpinCo Award shall be forfeited to SpinCo.

(iii) Without limiting the generality of Section 3.01(f), Parent shall be responsible for all Liabilities (and entitled to the tax deduction) associated with awards that relate to Parent Shares following the Effective Time, and SpinCo shall be responsible for all Liabilities (and entitled to the tax deduction) associated with awards that relate to SpinCo Shares following the Effective Time. In the event the treatment specified in this Section 4.02(e)(iii) does not comply with applicable Law or results in the Party who bore the economic Liability associated with the award not being the Party entitled to the corresponding tax deduction under applicable Law, the Parties agree to negotiate in good faith an alternative treatment that complies with applicable Law and does not result in such adverse economic consequence to a Party.

(f) *Cooperation.* Each of the Parties shall establish an appropriate administration system to administer, in an orderly manner, (i) exercises of vested Post-Separation Parent SARs, (ii) the vesting and forfeiture of unvested Post-Separation Parent Awards, and (iii) the withholding and reporting requirements with respect to Post-Separation Parent SARs. To the extent necessary, each of the Parties shall work together to unify and consolidate all indicative data and payroll and employment information on regular timetables and make certain that each applicable Person's data and records in respect of such awards are correct and updated on a timely basis. The foregoing shall include employment status and information required for vesting and forfeiture of awards and Tax withholding/remittance, compliance with trading windows and compliance with the requirements of the Exchange Act and other applicable Laws.

(g) *Registration and Other Regulatory Requirements*. SpinCo agrees to file the appropriate registration statements with respect to, and to cause to be registered pursuant to the Securities Act, the SpinCo Shares authorized for issuance under the SpinCo LTIP Plan, as required pursuant to the Securities Act, not later than the Effective Time and in any event before the date of issuance of any SpinCo Shares pursuant to the SpinCo LTIP Plan. The Parties shall take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 4.02(g), including, to the extent applicable, compliance with securities Laws and other legal requirements associated with equity compensation awards in affected non-U.S. jurisdictions. Parent agrees to facilitate the adoption and approval of the SpinCo LTIP Plan.

Section 4.03. Non-Equity Incentive Plans.

(a) The SpinCo Group shall assume or retain all Liabilities with respect to all non-equity incentive awards that would otherwise be payable to SpinCo Employees for any performance periods that are open as of the Distribution Date. The SpinCo Group shall also determine for SpinCo Employees (i) the extent to which established performance criteria (as interpreted by the SpinCo Group, in its sole discretion) have been met, and (ii) the payment level for each SpinCo Employee. The SpinCo Group shall assume all Liabilities with respect to any such incentive awards payable to SpinCo Employees for any performance periods that are open as of the Closing and thereafter, and no member of the Parent Group shall have any obligations with respect thereto.

(b) The Parent Group shall assume or retain all Liabilities with respect to any non-equity incentive awards that would otherwise be payable to Parent Employees or Former Employees for any performance periods that are open as of the Distribution Date. The Parent Group shall also determine for Parent Group Employees or Former Employees (i) the extent to which established performance criteria (as interpreted by the Parent Group, in its sole discretion) have been met, and (ii) the payment level for each Parent Group Employee or Former Employee. The Parent Group shall retain (or assume as necessary) all Liabilities with respect to any such bonus awards payable to Parent Group Employees or Former Employees for any performance periods that are open when the Effective Time occurs and thereafter, and no member of the SpinCo Group shall have any obligations with respect thereto.

(c) From and following the Distribution Date, the SpinCo Group shall assume or retain pursuant to Section 2.03(b) any incentive plan for the exclusive benefit of SpinCo Group Employees, whether or not sponsored by the SpinCo Group, and, from and after the Effective Time, shall be solely responsible for all Liabilities thereunder.

Section 4.04. Director Compensation. Parent shall be responsible for the payment of any fees for service on the Parent Board that are earned at, before, or after the Effective Time, and SpinCo shall not have any responsibility for any such payments, except as otherwise provided in Section 4.02 or Article VI. With respect to any SpinCo non-employee director, SpinCo shall be responsible for the payment of any fees for service on the Board of Directors of SpinCo that are earned at any time after the Effective Time and Parent shall not have any responsibility for any such payments. SpinCo shall pay fees to SpinCo non-employee directors in respect of the quarter in which the Effective Time occurs; provided that Parent shall pay SpinCo an amount equal to the portion of such payment that is attributable to Transferred Directors' service to Parent on and prior to the Effective Time as soon as practicable following the Effective Time.

ARTICLE V
U.S. RETIREMENT PLANS

Section 5.01. Parent Defined Benefit Plan. Parent shall assume and retain the Parent Defined Benefit Plan as of the Effective Time and no member of the SpinCo Group shall assume or retain any Liability with respect to the Parent Defined Benefit Plan. Following the Effective Time, no SpinCo Group Employee shall be credited with any additional service under the Parent Defined Benefit Plan; except that for purposes of vesting and eligibility for early retirement subsidies only, any SpinCo Employee participating in the Parent Defined Benefit Plan immediately prior to the Effective Time who does not take a distribution of his or her benefit from the Parent Defined Benefit Plan shall receive credit for his or her continuous service with SpinCo on and after the Effective Time, and, at the Effective Time, SpinCo will reimburse Parent for the estimated costs ($1,980,000 or such amount as the plan's actuary shall determine prior to the Effective Time) of the subsidy for participating SpinCo Employees. SpinCo Employees participating in the Parent Defined Benefit Pension Plan immediately prior to the Effective Time who continue employment with SpinCo on and after the Effective Time shall be eligible for a temporary supplemental non-elective 401(k) contribution transition benefit (the "Transition Benefit") under the SpinCo 401(k) Plan. The Transition Benefit will expire in 2024.

Section 5.02. SpinCo 401(k) Plan.

(a) *Establishment of Plan*. Effective on or before the Distribution Date, SpinCo shall or shall cause the members of the SpinCo Group to adopt and establish the SpinCo 401(k) Plan and a related trust (the "SpinCo 401(k) Trust"), which shall be intended to meet the tax qualification requirements of Section 401(a) of the Code, the tax exemption requirement of Section 501(a) of the Code, and the requirements described in Sections 401(k) and (m) of the Code.

(b) *Transfer of Account Balances*. As soon as practicable following the Effective Time (or such other times as mutually agreed to by the parties), Parent shall cause the trustee of the Parent 401(k) Plan to transfer from the trust which forms a part of the Parent 401(k) Plan to the SpinCo 401(k) Trust, the account balances of SpinCo Group Employees under the Parent 401(k) Plan, determined as of the date of the transfer. Unless otherwise agreed by the parties, such transfers shall be made in kind, including promissory notes evidencing the transfer of

outstanding loans. Any Asset and Liability transfers pursuant to this Section 5.02 shall comply in all respects with Sections 414(l) and 411(d)(6) of the Code and if required, shall be made not less than 30 days after Parent shall have filed the notice under Section 6058(b) of the Code. The parties agree that to the extent that any Assets are not transferred in kind, the Assets transferred will be mapped into an appropriate investment vehicle which may include the SpinCo 401(k) Plan qualified default investment alternative.

(c) *Transfer of Liabilities*. Effective as of the Effective Time but subject to the Asset transfer specified in Section 5.01(b) above, the SpinCo 401(k) Plan shall assume and be solely responsible for all the Liabilities for or relating to SpinCo Group Employees under the Parent 401(k) Plan. SpinCo shall be responsible for all ongoing rights of or relating to SpinCo Group Employees for future participation (including the right to make payroll deductions) in the SpinCo 401(k) Plan.

(d) *SpinCo 401(k) Plan Provisions*. The SpinCo 401(k) Plan shall provide that:

(i) SpinCo Group Employees shall be eligible to participate in the SpinCo 401(k) Plan as of the Effective Time to the extent that they were eligible to participate in the Parent 401(k) Plan immediately prior to the Effective Time;

(ii) the account balance of each SpinCo Group Employee under the Parent 401(k) Plan as of the date of the transfer of Assets from the Parent 401(k) Plan (including any outstanding promissory notes relating to outstanding loans) shall be credited to such individual's account under the SpinCo 401(k) Plan; and

(iii) the SpinCo 401(k) Plan shall assume and honor the terms of all QDROs in effect under the Parent 401(k) Plan in respect of SpinCo Group Employees immediately prior to the Effective Time.

(e) *Plan Fiduciaries*. For all periods at and after the Effective Time, the parties agree that the applicable fiduciaries of each of the Parent 401(k) Plan and the SpinCo 401(k) Plans, respectively, shall have the authority with respect to the Parent 401(k) Plans and the SpinCo 401(k) Plan, respectively, to determine the investment alternatives, the terms and conditions with respect to those investment alternatives and such other matters as are within the scope of their duties under ERISA and the terms of the applicable plan documents.

(f) *Determination Letter Request.* SpinCo shall submit an application to the IRS as soon as practicable after adoption of the SpinCo 401(k) Plan (but no later than the last day of the remedial amendment period as described in Section 401(b) of the Code and the regulations and IRS pronouncements thereunder) requesting a determination letter that the SpinCo 401(k) Plan meets the qualification requirements under Sections 401(a) and 401(k) of the Code, as applicable, and shall make any amendments reasonably requested by the IRS to receive such a favorable determination letter.

Section 5.03. No Distributions. No SpinCo Group Employee shall be entitled to a right to a distribution of his or her benefit under the Parent 401(k) Plan as a result of the Separation, Distribution or the assignment of his or her transfer of employment contemplated by Section 3.01.

ARTICLE VI
NONQUALIFIED DEFERRED COMPENSATION PLANS

(a) *Establishment of SpinCo Deferred Compensation Plan and SpinCo Directors' Plan.* Effective as of no later than the Effective Time, (i) the SpinCo Group shall establish the SpinCo Deferred Compensation Plan, which shall have substantially the same terms as of immediately prior to the Effective Time as the Parent Deferred Compensation Plan other than with respect to portions of the Parent Deferred Compensation Plan that relate to Restoration Plan Benefits; (ii) the SpinCo Group shall establish the SpinCo Directors' Plan, which shall have substantially the same terms as of immediately prior to the Effective Time as the Parent Directors' Plan; and (iii) SpinCo shall and shall cause the SpinCo Group Deferred Compensation Plan or the SpinCo Directors' Plan, as applicable, to assume, as of no later than the Effective Time, all Liabilities under the Parent Deferred Compensation Plan related to the SpinCo Group Employees (other than with respect to Liabilities related to Restoration Plan Benefits) and all Liabilities under the Parent Directors' Plan related to the Transferred Directors and the Parent Deferred Compensation Plan and Parent Directors' Plan shall have no further obligations related to the SpinCo Group Employees other than with respect to Restoration Plan Benefits, and to the Transferred Directors from and following the Effective Time. Notwithstanding the foregoing, SpinCo may make such changes, modifications or amendments to the SpinCo Deferred Compensation Plan and the SpinCo Directors' Plan as may be required by applicable Law or as are necessary and appropriate to reflect the Separation and Distribution or as SpinCo otherwise determines to be advisable.

(b) *Parent Nonqualified Plans*. From and after the Effective Time, no SpinCo Group Employees, and Transferred Directors shall participate in or accrue any benefits under the Parent Deferred Compensation Plan or the Parent Directors' Plan, as applicable, and Parent shall continue to be responsible for Liabilities in respect of Parent Group Employees, Former Employees and Parent Non-Employee Directors under the Parent Nonqualified Deferred Compensation Plan. In addition, Parent shall continue to be responsible for Liabilities in respect of SpinCo Group Employees related to Restoration Plan Benefits.

(c) *Distributions*. The parties acknowledge that none of the transactions contemplated by this Agreement, the Separation Agreement or any Transaction Document will trigger a payment or distribution of compensation under the Parent Deferred Compensation Plan (other than with respect to the Restoration Plan Benefits accrued by SpinCo Group Employees), SpinCo Deferred Compensation Plan, Parent Directors' Plan, or SpinCo Directors' Plan.

ARTICLE VII
WELFARE BENEFIT PLANS

Section 7.01. Welfare Plans.

(a) *Welfare Plan Transition Services*. For the period beginning at the Effective Time and ending on December 31, 2022, SpinCo Group Employees will continue to participate in the Parent Welfare Plans in which such SpinCo Group Employees participated prior to the Effective Time, on the same terms and conditions as applied to such SpinCo Group Employees prior to the Effective Time. Prior to the Effective Time, the Parties will enter into a Welfare Transition Services Agreement with respect to the continued participation of SpinCo Group Employees in the Parent Welfare Plans. The Parties agree to enter into a business associate agreement (if required by HIPAA or other applicable health information privacy Laws) in connection with such Welfare Transition Services Agreement.

(b) *Establishment of SpinCo Welfare Plans*. Except as otherwise provided in this Article VII, as of or before January 1, 2023, SpinCo shall, or shall cause the members of the SpinCo Group to, establish the SpinCo Welfare Plans that generally correspond to the Parent Welfare Plans in which such SpinCo Group Employees participate immediately prior to such date. Beginning on January 1, 2023, SpinCo Group Employees who are employed by SpinCo or members of the SpinCo Group as of such date shall cease participation in all Parent Welfare Plans. Any Liabilities incurred or paid by the Parent Group after December 31, 2022 under the Parent Welfare Plan with respect to SpinCo Group Employees shall be subject to reimbursement by the SpinCo Group in accordance with Section 9.04. Without limiting the generality of Section 9.02, SpinCo may modify the terms of the SpinCo Welfare Plans as it deems necessary and appropriate.

Section 7.02. Vacation, Holidays and Leaves of Absence. As of or before the Effective Time, SpinCo shall, or shall cause the members of the SpinCo Group to, establish the SpinCo PTO Plan, which shall have terms substantially similar in all material respects to those of the corresponding Parent Benefit Plan. From and following the Effective Time, (a) the SpinCo Group shall retain all Liabilities with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each SpinCo Group Employee, unless otherwise required by applicable Law, and (b) the Parent Group shall retain all Liabilities with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each Parent Group Employee and Former Employee. Without limiting the generality of Section 9.02, SpinCo may modify the terms of the SpinCo PTO Plan as it deems necessary and appropriate.

Section 7.03. Severance and Unemployment Compensation. As of or before January 1, 2023, SpinCo shall, or shall cause the members of the SpinCo Group to, establish the SpinCo Severance Plan, which shall have terms substantially similar in all material respects to those of the corresponding Parent Benefit Plan. From and following the Effective Time, (a) the SpinCo Group shall retain any and all Liabilities to, or relating to, SpinCo Group Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after the Effective Time, and (b) the Parent Group shall retain any and all Liabilities to, or relating to, Parent Group Employees and Former Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after the Effective Time. Without limiting the generality of Section 9.02, SpinCo may modify the terms of the SpinCo Severance Plan as it deems necessary and appropriate.

Section 7.04. Workers' Compensation. With respect to claims for workers' compensation, (a) the SpinCo Group shall be responsible for claims in respect of SpinCo Group Employees, whether occurring before, at or after the Effective Time, and (b) the Parent Group shall be responsible for all claims in respect of Parent Group Employees and Former Employees, whether occurring before, at or after the Effective Time. The treatment of workers' compensation claims by SpinCo with respect to Parent insurance policies shall be governed by Section 5.1 of the Separation Agreement.

ARTICLE VIII
NON-U.S. EMPLOYEES

All actions taken under this Agreement with respect to benefits and Liabilities related to SpinCo Group Employees who are residents outside of the United States or otherwise subject to non-U.S. Law shall be subject to and accomplished in accordance with applicable Laws or regulations of countries outside of the United States in the custom of the applicable jurisdictions (including, as set forth in Section 2.01 above, as required by any applicable Labor Agreement). Except as otherwise may be expressly set forth in this Agreement, in the event that such applicable Law does not require Parent and/or SpinCo to take any specific action with respect to any such benefit or Liability, such benefits and Liabilities shall be treated in the same manner as those related to SpinCo Group Employees, respectively, who are residents of the United States and are not subject to non-U.S. Law. For the avoidance of doubt, Parent shall, in consultation with SpinCo, have the authority to adjust any treatment described in this Agreement with respect to SpinCo Group Employees who are located outside of the United States in order to ensure compliance with the applicable Laws or regulations of countries outside of the United States or to preserve the tax benefits provided under local tax law or regulation before the Distribution; provided that the Parties shall take all necessary action to preserve the economic terms of the allocation of Assets and Liabilities contemplated by this Agreement.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Information Sharing and Access.

(a) *Sharing of Information.* Subject to any limitations imposed by applicable Law, each of Parent and SpinCo (acting directly or through members of the Parent Group or the SpinCo Group, respectively) shall provide to the other Party and its authorized agents and vendors all information necessary (including information for purposes of determining benefit eligibility, participation, vesting, calculation of benefits) on a timely basis under the circumstances for the Party to perform its duties under this Agreement. Such information shall include information relating to equity awards under stock plans. To the extent that such information is maintained by a third-party vendor, each Party shall use its commercially reasonable efforts to require the third-party vendor to provide the necessary information and assist in resolving discrepancies or obtaining missing data.

(b) *Transfer of Personnel Records and Authorization*. Subject to any limitation imposed by applicable Law and to the extent that it has not done so before the Effective Time, Parent shall transfer to SpinCo any and all employment records (including any Form I-9, Form W-2 or other IRS forms) with respect to SpinCo Group Employees and other records reasonably required by SpinCo to enable SpinCo properly to carry out its obligations under this Agreement. Such transfer of records generally shall occur as soon as administratively practicable at or after the Effective Time. Each Party shall permit the other Party reasonable access to its Employee records, to the extent reasonably necessary for such accessing Party to carry out its obligations hereunder.

(c) *Access to Records.* To the extent not inconsistent with this Agreement, the Separation Agreement or any applicable privacy protection Laws or regulations, reasonable access to Employee-related and benefit plan related records after the Effective Time shall be provided to members of the Parent Group and members of the SpinCo Group pursuant to the terms and conditions of Article VI of the Separation Agreement.

(d) *Maintenance of Records.* With respect to retaining, destroying, transferring, sharing, copying and permitting access to all Employee-related information, Parent and SpinCo shall comply with all applicable Laws, regulations and internal policies, and shall indemnify and hold harmless each other from and against any and all Liability, Actions, and damages that arise from a failure (by the indemnifying Party or its Subsidiaries or their respective agents) to so comply with all applicable Laws, regulations and internal policies applicable to such information.

(e) *Cooperation.* Each Party shall use commercially reasonable efforts to cooperate and work together to unify, consolidate and share (to the extent permissible under applicable privacy/data protection Laws) all relevant documents, resolutions, government filings, data, payroll, employment and benefit plan information on regular timetables and cooperate as needed with respect to (i) any claims under or audit of or litigation with respect to any employee benefit plan, policy or arrangement contemplated by this Agreement, (ii) efforts to seek a determination letter, private letter ruling or advisory opinion from the IRS or U.S. Department of Labor on behalf of any employee benefit plan, policy or arrangement contemplated by this Agreement, (iii) any filings that are required to be made or supplemented to the IRS, U.S. Pension Benefit Guaranty Corporation, U.S. Department of Labor or any other Governmental Authority, and (iv) any audits by a Governmental Authority or corrective actions, relating to any Benefit Plan, labor or payroll practices; provided, however, that requests for cooperation must be reasonable and not interfere with daily business operations.

(f) *Confidentiality.* Notwithstanding anything in this Agreement to the contrary, all confidential records and data relating to Employees to be shared or transferred pursuant to this Agreement shall be subject to Section 6.9 of the Separation Agreement and the requirements of applicable Law.

Section 9.02. Preservation of Rights to Amend. Except as specifically set forth in this Agreement, the rights of each member of the Parent Group and each member of the SpinCo Group to amend, waive, or terminate any plan, arrangement, agreement, program, or policy referred to herein shall not be limited in any way by this Agreement.

Section 9.03. Fiduciary Matters. Parent and SpinCo each acknowledges that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good-faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 9.04. Further Assurances. Each Party hereto shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party hereto may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

Section 9.05. Reimbursement of Costs and Expenses. The Parties shall promptly reimburse one another, upon reasonable request of the Party requesting reimbursement (the "Requesting Party") as soon as practicable, but in any event within 30 days of receipt of an invoice detailing all costs, expenses and other Liabilities paid or incurred by the Requesting Party (or any of its Affiliates), and any other substantiating documentation as the other Party shall reasonably request, that are, or have been made pursuant to this Agreement, the responsibility of the other Party (or any of its Affiliates) including those Liabilities, if any, under Section 7.01(b). Each Party shall provide 30 days' notice if it anticipates sending an invoice hereunder.

Section 9.06. Dispute Resolution. The dispute resolution procedures set forth in Article VII of the Separation Agreement shall apply to any dispute, controversy or claim arising out of or relating to this Agreement.

Section 9.07. Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder. There are no third-party beneficiaries of this Agreement and this Agreement shall not provide any Third Person with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement. Without limiting the generality of the foregoing, (a) nothing in this Agreement is intended to amend any employee benefit plan or affect the applicable plan sponsor's right to amend or terminate any employee benefit plan pursuant to the terms of such plan and (b) the provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director, or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement.

Section 9.08. Incorporation of Separation Agreement Provisions. Article X of the Separation Agreement is incorporated herein by reference and shall apply to this Agreement as if set forth herein *mutatis mutandis*.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Employee Matters Agreement to be executed by their duly authorized representatives as of the date first written above.

BECTON, DICKINSON AND COMPANY

By: _____
Name: [ ]
Title: [ ]

EMBECTA CORP.

By: _____
Name: [ ]
Title: [ ]

[Signature Page to Employee Matters Agreement]

Exhibit 10.5

FORM OF EMBECTA CORP.

EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

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EMBECTA CORP.

EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

1. Establishment and Purpose of Plan

1.1 Establishment. Embecta Corp., a Delaware corporation ("***Embecta***" or the "***Company***"), has adopted this Embecta Corp. Executive Severance and Change in Control Plan (as amended from time to time, the "***Plan***"), effective as of _____ (the "***Effective Date***").

1.2 Purpose. The purpose of the Plan is to provide eligible key employees of the Company and certain subsidiaries of the Company who experience a Qualifying Termination (defined below) with severance benefits in accordance with the terms and conditions set forth below. The Company believes that it is in the best interests of the Company's shareholders to provide financial assistance through severance payments and other benefits to eligible key employees who experience a Qualifying Termination as specified herein. With respect to each Participant (defined below), the Plan supersedes all plans, agreements, or other arrangements for severance benefits or for enhanced severance payments whether or not before, on or after a Change in Control. To the extent the Plan provides deferred compensation it is an unfunded plan primarily for the purposes of providing deferred compensation to a select group of management or highly compensated employees as described in Sections 201, 301 and 401 of ERISA. The Company reserves the right to amend, modify or terminate the Plan at any time for any reason, subject to the limitations set forth herein.

2. Definitions and Construction

2.1 Definitions. Whenever used in the Plan, the following terms shall have the meanings set forth below:

(a) "***Accrued Obligations***" means the following:

i. any earned but unpaid Base Salary (defined below) through the Participant's Termination Date (defined below), plus any accrued and unused paid time off ("***PTO***") due to the Participant under the Company's PTO program through the Participant's Termination Date, which amounts shall be paid to the Participant not later than the payment date for the payroll period next following the Participant's Termination Date;

ii. reimbursements for any properly reimbursable business expenses to which the Participant is entitled pursuant to any applicable established reimbursement policies, *provided* that the Participant applies for such reimbursements in accordance with the terms and procedures set forth in the applicable established reimbursement policies, and within the period required by such procedures (but under no circumstances later than ninety (90) days after the Participant's Termination Date); and

iii. any other amounts or benefits required to be paid or provided or that Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its Affiliates (such other amounts and benefits shall be hereinafter referred to as the "***Other Benefits***") in accordance with the terms of the underlying plans or agreements.

(b) "***Annualized Bonus***" means the greater of (i) a Participant's annual Bonus (defined below) for the most recently completed Fiscal Year for which annual bonuses have been determined or (ii) a Participant's average annual Bonus for the two most recently completed Fiscal Years for which annual Bonuses have been determined. In the event that the Annualized Bonus cannot be determined for a Participant under (i) or (ii) above, "Annualized Bonus" with respect to such Participant means the Target Annual Bonus (defined below).

(c) "***Base Salary***" means the annual base salary in effect immediately prior to the Participant's Termination Date (without giving effect to any reduction forming the basis for a termination for Good Reason). For the avoidance of doubt, Base Salary does not include any bonuses, commissions, fringe benefits, car allowances, or other special or irregular payments.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Bonus***" means any annual cash bonus payable under any bonus plan, short term incentive compensation plan or other like benefit plan of a Group Company in which the Participant participates, whether or not awards thereunder are discretionary, including without limitation, the Company's Annual Incentive Plan as in effect from time to time.

(f) "***Cause***" means any one of the following (other than during a Change in Control Coverage Period, as determined by the Committee in its sole discretion):

i. the Participant's act of fraud, embezzlement, theft or other intentional material violation of the law in connection with or in the course of his or her employment;

ii. indictment or conviction of the Participant for a felony or crime of moral turpitude in connection with or in the course of his or her employment;

iii. the Participant's willful or gross misconduct that is likely to materially injure the reputation, business or a business relationship of any Group Company;

iv. the Participant's willful material violation or breach of any confidentiality, non-competition or non-solicitation obligation (contractual or otherwise) to a Group Company;

v. the Participant's continued and willful failure or refusal (other than as a result of incapacity due to mental or physical impairment) to perform his or her material duties of employment or to adhere to any written policies of the Company;

vi. the Participant's sexual harassment of an employee or other third party that has been reasonably substantiated through an investigation in accordance with the Company's standard human resources policy; or

vii. other than in connection with or in the course of his or her employment, the Participant's willful conduct that endangers or compromises the health or safety of another employee or creates a hostile work environment.

For purposes of this definition of "Cause," no act, or failure to act, on the part of the Participant will be deemed "willful" if it was done or omitted to be done by the Participant in good faith or with a reasonable belief that the act or omission was not opposed to the best interests of the Company Group.

If (A) a Group Company has terminated a Participant without Cause or a Participant has resigned for Good Reason and, within six months after the Termination Date, matters constituting Cause become known to a Group Company, or (B) if a Participant resigns for Good Reason after a Group Company learns of matters constituting Cause but before the Group Company is able to effectuate a termination for Cause, the Committee may in any such case, by written notice to a Participant, treat such termination as being for Cause; except that this provision shall not apply following a Change in Control.

(g) "***Change in Control***" shall have the meaning set forth in the Equity Plan.

(h) "***Change in Control Coverage Period***" means the period commencing with, and ending 24 months following, the date of a Change in Control. Notwithstanding anything in this Agreement to the contrary, if (i) a Participant experiences a Termination of Employment by the Company without Cause, (ii) the Termination Date of such Participant's Termination of Employment is prior to the date on which a Change in Control occurs, and (iii) it is reasonably demonstrated by such Participant that such Termination of Employment (x) was at the request of a third party that has taken steps reasonably calculated to effect a Change in Control or (y) otherwise directly arose in connection with or anticipation of a Change in Control, then, solely with respect to such Participant, the "Change in Control Coverage Period" shall mean the period commencing immediately prior to such Termination Date and ending on the date of the Change in Control.

(i) "***Claim***" shall have the meaning set forth in Section 7.1(a) below.

(j) "***Claimant***" shall have the meaning set forth in Section 7.1(a) below.

(k) "***Claims Administrator***" shall have the meaning set forth in Section 6.1(d) below.

(l) "***COBRA***" means the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(m) "***Code***" means the Internal Revenue Code of 1986, as amended, or any successor thereto and any applicable regulations promulgated thereunder.

(n) "***Committee***" means the Compensation Committee of the Board.

(o) "***Company***" means Embecta Corp., a Delaware corporation, or any successor thereto.

(p) "***Company Group***" means the group consisting, from time to time, of the Company and each direct and indirect Subsidiary of the Company.

(q) "***Delay Period***" shall have the meaning set forth in Section 9.1(b) below.

(r) "***Director***" means a member of the Board.

(s) "***Disability***" means the Participant's disability within the meaning of the applicable long-term disability plan in effect immediately prior to the Termination Date.

(t) "***Eligible Employee***" means an employee of any Group Company who is designated by the Company as within one of the employee classification levels specified on Schedule A. If there is any question as to whether an Employee is deemed an Eligible Employee for purposes of the Plan, the Committee shall make the determination.

(u) "***Employee***" means an individual who is classified as an employee on the U.S. payroll of any Group Company, other than any individual scheduled to work fewer than 30 hours per week or any individual classified as a "foreign employee," meaning an employee based or employed in a country that is not the United States or paid from a non-U.S. payroll (including an employee based in the Commonwealth of Puerto Rico or paid from a payroll in the Commonwealth of Puerto Rico).

(v) "***Equity Plan***" means the Embecta 2022 Employee and Director Equity-Based Compensation Plan, as it may be amended from time to time, or any successor thereto.

(w) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, or any successor thereto and any applicable regulations promulgated thereunder.

(x) "***Excise Tax***" shall have the meaning set forth in Section 9.2(a) below.

(y) "***Existing Restrictive Covenant Agreement***" shall have the meaning set forth in Section 5 below.

(z) "***Fiscal Year***" means the fiscal year of the Company.

(aa) "***Good Reason***" means any of the following events without the Participant's express written consent (provided that for Participants other than the CEO and the CEO's SVP direct reports, solely during a Change in Control Coverage Period):

i. a material reduction (other than during a period of the Participant's mental or physical impairment) in the Participant's authority, duties, or responsibilities or the assignment to the Participant of duties on a continuous or regular basis that are materially inconsistent with the duties of the Participant prior to such reduction (or, for Participants other than the CEO and the CEO's SVP direct reports, prior to the Participant's Change in Control Coverage Period);

ii. a reduction in the Participant's base compensation or a material reduction in the Participant's annual compensation opportunity or long-term incentive compensation opportunity;

iii. a change in the primary location at which the Participant is required to perform the duties of his or her employment to a location that is more than 30 miles from the location at which his or her office is located prior to such change (or, for Participants other than the CEO and the CEO's SVP direct reports, prior to the Participant's Change in Control Coverage Period), *provided* that such change in primary location results in a material increase (i.e., at least 30 minutes) in the Participant's one-way commuting time;

iv. a material breach by the Company of an employment agreement or contract (including a letter agreement) with the Participant; or

v. the failure of a successor entity to assume the obligations under this Plan or to provide the Participant with a plan providing substantially similar or better severance benefits;

provided, *however*, in all cases, that the Participant who is asserting that an event constituting Good Reason has occurred has provided the Company with written notice of the circumstances giving rise to the Good Reason event (a "***Good Reason Notice***"), in accordance with the procedures set forth in Section 8 below, within 60 days after the initial existence of such circumstances. An event constituting Good Reason shall no longer constitute Good Reason if the circumstances described in the Good Reason Notice are cured (and notice of such cure is provided to the Participant) by the Company Group within 30 days following its receipt of the Good Reason Notice. If the Company Group does not cure the circumstances giving rise to the Good Reason event described in the Good Reason Notice within 30 days after receipt of the Good Reason Notice, the Participant who provided the Good Reason Notice may resign for Good Reason only by terminating employment within 30 days following the end of the Company Group's 30-day cure period.

(bb) "***Group Company***" means the Company or any other company within the Company Group.

(cc) "***Health and Welfare Severance Benefit***" shall have the meaning set forth in Section 3.1(e) below.

(dd) "***Participant***" means any individual who is an Eligible Employee selected by the Committee to participate in the Plan and who executes and returns to the Company a Participation Agreement (defined below).

(ee) "***Participation Agreement***" means an Agreement to Participate in the Plan, in substantially the form attached hereto as Exhibit A, or in such other form as the Committee may approve from time to time.

(ff) "***Prior Year Bonus Payment***" shall have the meaning set forth in Section 3.1(c) below.

(gg) "***Pro-Rata Bonus Payment***" shall have the meaning set forth in Section 3.1(d) below.

(hh) "***Qualifying Termination***" means the occurrence of either of the following events:

i. the involuntary termination without Cause of a Participant's employment with a Group Company that employs the Participant; or

ii. such Participant's resignation from such employment with the Company for Good Reason (which, for Participants other than the CEO and the CEO's SVP direct reports, can only occur during a Change in Control Coverage Period);

provided, *however*, that a Qualifying Termination shall not include any termination of a Participant's employment which is (A) for Cause, (B) a result of a Participant's death or Disability, (C) a result of a Participant's resignation other than for Good Reason, or (D) a Participant's termination following his or her failure to accept a continued employment at a comparable position (as determined by the Committee in its sole discretion) in connection with any sale, divestiture or outsourcing of the company or business unit in which he or she had been employed prior to his or her termination.

(ii) "***Separation and Release Agreement***" means an agreement between the Participant and the Company in a form that is reasonably acceptable to the Company (which shall be provided to the applicable Participant by the Company as soon as practicable following the Termination Date) that includes a full general release by the Participant in favor of the Company Group and any of its affiliates, stockholders, Directors, officers, employees, agents, insurers, predecessors, successors and/or assigns, and other related parties (including, without limitation, fiduciaries of employee benefit plans) releasing all claims, known or unknown (the "***Release***"), which at the Company's discretion, and to the extent permitted by applicable law, may include, among other things, certain restrictive covenants applicable to the Participant, including confidentiality, non-solicitation and non-competition provisions, provided that with respect to a Qualifying Termination during a Change in Control Coverage, the Separation and Release Agreement shall impose no covenants on the applicable Participant other than the Release, and the Release shall be in a form not less favorable to the Participant than the Company's standard form of Release in effect prior to the applicable Change in Control.

(jj) "***Section 409A***" means Section 409A of the Code and any applicable regulations (including proposed or temporary regulations) and other administrative guidance promulgated thereunder.

(kk) "***Section 409A Change in Control***" shall have the meaning set forth in Section 9.1(f) below.

(ll) "***Severance Conditions***" means that (i) solely outside of a Change in Control Coverage Period, the Participant continues to comply with any restrictive covenants applicable to the Participant by Company policy or by specific written agreement and (ii) no later than the 60th day following the applicable Termination Date, the Participant has delivered to the Company an executed Separation and Release Agreement and such Separation and Release Agreement has become effective, enforceable and irrevocable in accordance with its terms.

(mm) "***Severance Payments***" shall have the meaning set forth in Section 3.1(a) below.

(nn) "***Specified Employee***" means a specified employee within the meaning of that term under Section 409A(a)(2)(B)(i) of the Code.

(oo) "***Subsidiary***," with respect to the Company, means any entity in which the Company owns or otherwise controls, directly or indirectly, stock or other ownership interests having the voting power to elect a majority of the board of directors, or other governing group having functions similar to a board of directors, as determined by the Committee.

(pp) "***Target Annual Bonus***" means the Participant's target annual cash bonus opportunity, determined based on the target percentage ascribed to the Participant, as in effect immediately prior to any termination of employment (without giving effect to any reduction forming the basis, in whole or in part, for a termination for Good Reason).

(qq) "***Termination Date***" means the effective date of the Participant's Termination of Employment.

(rr) "***Termination of Employment***" means, in respect of a Participant, a termination of employment with the Company Group as determined by the Committee; *provided*, *however*, that with respect to payment of deferred compensation subject to Section 409A, "Termination of Employment" means "separation from service" within the meaning of Section 409A.

2.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. <u>Severance Benefits For Qualifying Terminations</u>

3.1 Benefits for a Qualifying Termination Outside of a Change in Control Coverage Period. If a Participant experiences a Qualifying Termination at any time other than during a Change in Control Coverage Period, such Participant shall receive any Accrued Obligations to which he or she is entitled, and subject to satisfaction of, and compliance with, the Severance Conditions, such Participant shall also be eligible to receive the following benefits set forth in Sections 3.1(a) through (f) below, less applicable taxes, withholdings and deductions.

(a) The Severance Payments. The Participant shall be paid an amount determined in accordance with the chart set forth on Schedule A (the "***Severance Payment***"). The Severance Payment shall be paid in equal installments in accordance with the Company's then current payroll practices and shall, subject to Section 9.1, begin as soon as practicable following the Termination Date, provided that the first such payment date shall not be less than five days following the date that the Participant's Separation and Release Agreement has become effective and irrevocable. Any severance payments that are delayed as a result of the execution of the Separation and Release Agreement will be paid as part of the first installment of the Severance Payment.

(b) Prior Year Bonus Payment. If a Participant's Termination Date is after the end of the immediately preceding annual Bonus period (i.e., after the end of the last Fiscal Year) but before the Bonus for that year has been paid to the Participant, the Participant shall be paid an annual cash Bonus for the completed bonus year immediately preceding the Participant's Termination Date (the "***Prior Year Bonus Payment***") in the amount determined under the terms of the applicable Bonus plan notwithstanding any provision of the Bonus plan that requires continued employment after the end of the immediately preceding annual Bonus period but subject to all other provisions of the Bonus plan. To the extent that a Participant is entitled to receive the Prior Year Bonus Payment for any Fiscal Year under this Section 3.1(b), such Participant shall not also be entitled to any Bonus payment for such Fiscal Year under the terms of the applicable Bonus plan. Amounts payable under this Section 3.1(b) will be deemed payments attributable to the Participant's employment prior to or on the Termination Date and not as severance. The Prior Year Bonus Payment shall be paid in a lump sum to the Participant in accordance with the timing of the payments of bonus payments to other executives for the same bonus year.

(c) Pro-Rata Bonus Payment. The Participant shall be paid a pro-rata portion of the annual cash Bonus for the Fiscal Year in which the Termination Date occurs based on achievement of target performance for such year (determined by multiplying the amount of the Target Annual Bonus for the full Fiscal Year by a fraction, the numerator of which is the number of months during the Fiscal Year in which the Termination Date occurs that the Participant had been employed by the Company Group, and the denominator of which is 12) (the "***Pro-Rata Bonus Payment***") notwithstanding any provision of the Bonus plan that requires continued employment through the end of the annual Bonus period or beyond but subject to all other provisions of the Bonus plan. For purposes of such calculation, if the Termination Date is on or before the 15th day of the month, the Participant will get credit for one-half month; and if the Termination Date is after the 15th day of the month, the Participant will get credit for the full month. To the extent that a Participant is entitled to receive the Pro-Rata Bonus Payment for any Fiscal Year under this Section 3.1(c), such Participant shall not also be entitled to any Bonus payment for such Fiscal Year under the terms of the applicable Bonus plan. Amounts payable under this Section 3.1(c) will be deemed payments attributable to the Participant's employment prior to or on the Termination Date and not as severance. The Pro-Rata Bonus Payment shall be paid in a lump sum to the Participant in accordance with the timing of the payments of bonus payments to other executives for the same bonus year.

(d) Health and Welfare Severance Benefit. The Company shall pay the Participant an amount equal to the excess of (i) the monthly cost of COBRA coverage for the Participant's elected coverage under the Company Group's group health plan (including medical and dental coverages) as in effect on the day prior to the Participant's Termination Date over (ii) the portion of such cost that would be paid by an active employee based on the rate in effect on such day, for the period specified in Schedule A (the "***Health and Welfare Severance Benefit***").

The Health and Welfare Severance Benefit shall, subject to Section 9.1, be paid in a lump sum to the Participant as soon as administratively practicable following the date the Participant's Separation and Release Agreement has become effective and irrevocable. The Health and Welfare Severance Benefit described above will be paid regardless of whether or not the Participant and/or the Participant's enrolled spouse and/or dependents elect to continue their group health plan coverage pursuant to COBRA or otherwise. Any such election will be the sole responsibility of the Participant and/or his or her spouse and/or dependents.

(e) Outplacement Services. During the 12-month period following a Participant's Termination Date, the Participant will be entitled, at the Company's cost, to outplacement services provided by a firm selected by the Company. A Participant entitled to outplacement services hereunder must notify the Company of his or her desire to utilize such services within 20 days following his or her Termination Date.

(f) Treatment of Outstanding Equity Awards. Subject to the terms of the Equity Plan and Section 409A, the Committee may in its discretion accelerate the vesting of, or waive or modify performance requirements of, any equity awards granted under the Equity Plan in the event of a termination of the Participant's employment for any reason other than Cause.

3.2 Benefits for a Qualifying Termination During a Change in Control Coverage Period. If a Participant experiences a Qualifying Termination at any time during a Change in Control Coverage Period, such Participant shall receive any Accrued Obligations to which he or she is entitled, and subject to satisfaction of, and compliance with, the Severance Conditions, such Participant shall be eligible to receive the benefits set forth in Sections 3.2(a) through (f) below (but none of the benefits under Section 3.1 above), less applicable taxes, withholdings and deductions. If a Participant has received any benefits under Section 3.1 and then subsequently becomes entitled to benefits under this Section 3.2, then the benefits payable under Section 3.2 shall be offset by the amount of benefits previously received by the Participant under Section 3.1 (and thereupon the Participant will no longer be entitled to receive any additional benefits under Section 3.1). Subject to potential delay or reduction pursuant to the terms of Sections 9.1 or 9.2 below, all cash payments to which a Participant is entitled to receive under Section 3.2 shall be made in a single lump sum as soon as administratively practicable following the Termination Date, provided that the first such payment date shall not be less than five days following the date that the Participant's Separation and Release Agreement has become effective and irrevocable.

(a) The CIC Severance Payment. The Participant shall be paid a lump sum amount to be determined in accordance with the chart set forth on Schedule A; provided that in the event of a Qualifying Termination during a Change in Control Coverage Period that occurs prior to the applicable Change in Control or with respect to which the applicable Change in Control is not a "a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Section 409A(a)(2)(A)(v) of the Code, a portion of the Severance Payment equal to the amount that would have been due under a Qualifying Termination governed by Section 3.1(a) of this Plan shall be paid on the schedule contemplated by Section 3.1(a).

(b) Prior Year Bonus Payment. The Participant shall be paid the Prior Year Bonus Payment, as defined in Section 3.1(b) above, in a lump sum and in accordance with the terms and conditions set forth in Section 3.1(b) above.

(c) Pro-Rata Bonus Payment. The Participant shall be paid the Pro-Rata Bonus Payment as defined in Section 3.1(c) above, in a lump sum and in accordance with the terms and conditions set forth in Section 3.1(c) above.

(d) CIC Continuation Benefit. The Company shall pay the Participant a lump sum amount calculated in the same manner as the Health and Welfare Severance Benefit described in Section 3.1(e) above, and in accordance with the terms and conditions set forth in Section 3.1(d) above; provided, however, that under this Section 3.2(d) the relevant period shall be the period specified in Schedule A.

(e) Outplacement Services. During the 12-month period following a Participant's Termination Date, the Participant will be entitled, at the Company's cost, to outplacement services provided by a firm selected by the Company. A Participant entitled to outplacement services hereunder must notify the Company of his or her desire to utilize such services within twenty (20) days following his or her Termination Date.

(f) Treatment of Outstanding Equity Awards. Subject to Section 409A (if applicable) regarding the time of payment of an award under the Equity Plan, (i) any and all non-performance-based awards and performance-based awards granted under the Equity Plan will become fully vested as of the Termination Date and (ii) in the case of performance-based awards, such full vesting will occur on the basis that performance had been achieved at the "target" level specified in the award except where a higher level would be deemed achieved under the terms of the applicable award agreement.

3.3 Other Terminations. If a Participant's termination of employment results from any reason other than a Qualifying Termination, such Participant shall be eligible only to receive his or her Accrued Obligations.

4. No Contract of Employment

Neither the establishment of the Plan, nor any amendment thereto, nor the payment or provision of any benefits pursuant to the Plan shall be construed as giving any person the right to be employed by any member of the Company Group. The employment relationship between each Participant and any member of the Company Group is an "at-will" relationship. Accordingly, either the Participant or any member of the Company Group that employs the Participant may terminate the relationship at any time. Effective upon a Participant's Termination of Employment for any reason, the Participant shall hold no further office, directorship or other position with the Company Group and will be deemed to have resigned from any and all such positions.

5. Conflict in Benefits; Noncumulation of Benefits

The terms of the Plan, when accepted by a Participant pursuant to an executed Participation Agreement, shall supersede all prior agreements and arrangements, whether written or oral, and understandings regarding the subject matter of the Plan (including, but not limited to any severance provisions under any employment agreement entered into prior to the effective date of his or her Participation Agreement), and shall be the exclusive terms for the determination of any severance payments and benefits due to such Participant. To the extent that a Participant accepts payments made pursuant to the Plan, such Participant shall be deemed to have waived his or her right to receive a corresponding amount of future severance payments or other severance benefits under any other plan or agreement of the Company Group. Payments and benefits provided under the Plan shall be in lieu of any termination or severance payments or benefits for which the Participant may be eligible under any of the plans or policy of the Company Group or under the Worker Adjustment Retraining Notification Act of 1988 or any similar statute or regulation. The foregoing notwithstanding, the terms of the Plan do not supersede or take priority over the terms or conditions of any agreement between a Participant and a Group Company relating to maintaining the confidentiality of information, the assignment of inventions, non-competition, and/or nonsolicitation of Company Group employees, or any other agreements containing restrictive covenants intended to protect the business and goodwill of the Company Group (any such agreements, collectively, the "***Existing Restrictive Covenant Agreements***"). This Plan and any Existing Restrictive Covenant Agreement shall be treated and interpreted as complementary, and in the event of any conflict between certain provision(s) in the Plan and certain provision(s) in an Existing Restrictive Covenant Agreement, the provision(s) of the document which is regarded as most beneficial to the Company's interests, as determined in the Committee's sole discretion, is the provision(s) that shall be applicable and applied.

6. Administration, Termination, and Amendment of Plan

6.1 Administration. The Committee shall act as the plan administrator of the Plan. The Committee has the sole discretion and authority to administer the Plan, including the sole discretion and authority to:

(a) adopt such rules as it deems advisable in connection with the administration of the Plan, and to construe, interpret, apply and enforce the Plan and any such rules and to remedy ambiguities, errors or omissions in the Plan;

(b) determine questions of eligibility and entitlement to benefits and interpret the terms and provisions of the Plan;

(c) act under the Plan on a case-by-case basis; the Committee's decisions under the Plan need not be uniform with respect to similarly situated Participants; and

(d) delegate its authority under the Plan to any Director, officer, employee, or group of Directors, officers and/or employees of the Company; *provided* that if any person with administrative authority becomes eligible or makes a claim for Plan benefits, that person will have no authority with respect to any matter specifically affecting his or her individual interest under the Plan, and the Committee will designate another person to exercise such authority. The Committee has delegated its day-to-day ministerial responsibility under the Plan to the Company's Human Resources Department under the supervision of the Company's highest level officer in charge of Human Resources or such other person or persons as the Committee may designate (the "***Claims Administrator***").

Other than during a Change in Control Coverage Period, any determination of the Committee shall be final and conclusive, and shall bind and may be relied upon by the Company Group, each of the Participants and all other parties in interest.

6.2 Amendment and Termination of the Plan. Subject to compliance with the requirements of Section 409A, the Committee may amend or terminate the Plan in any respect (including any change to the severance benefits) at any time; *provided, however*, that any amendment that would materially adversely affect Participants, any removal of a Participant from coverage hereunder, or any termination of the Plan shall be effective only with one year's prior written notice to affected Participant(s); *and*, *provided further*, that no action that adversely affects a Participant may be adopted or become effective during a Change in Control Coverage Period.

7. Claims for Benefits

7.1 Claims for Benefits.

(a) No claim shall be required for benefits due under the Plan. Any individual eligible for benefits under this Plan who believes he or she is entitled to additional benefits or who desires to clarify his or her right to future benefits under the Plan (a "***Claimant***") may submit his or her application for benefits ("***Claim***") to the Claims Administrator, with a copy to the Company's General Counsel; *provided*, that in the event that the Claimant seeking benefits would otherwise be the Claims Administrator, then the Company's Chief Executive Officer (or his or her designee) shall act as the Claims Administrator. All Claims under the Plan must be properly submitted not later than one year after the Termination Date.

(b) When a Claim has been filed properly, it shall be evaluated subject to a full and fair review and the Claimant or his or her duly authorized representative shall be notified of the approval or the denial of the Claim within 90 days after the receipt of such Claim. If special circumstances require an extension of time for processing a Claim, a written notice of the extension shall be furnished to the Claimant before the end of the initial 90-day period. In no event shall such extension exceed 90 days. The notice of extension shall explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the Claim, and the additional information needed to resolve those issues. A Claimant or representative will have at least 45 days to provide the specified information. If a Claim for benefits is denied, in whole or in part, the notice shall be written in a manner calculated to be understood by the Claimant and shall include:

i. The specific reason or reasons for the denial;

ii. References to the specific Plan provisions on which the denial is based;

iii. A description of any additional material or information necessary for the applicant to perfect the Claim and an explanation of why such material or information is necessary; and

iv. A description of the Plan's Claims review procedures and the time limits applicable to such procedures, and a statement of Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

7.2 Appeal of Denial of Claim.

(a) If a Claim is denied, in whole or in part, or if a Claim is neither approved nor denied within the period specified in Section 7.2(b) or, if applicable, Section 7.2(c) (i.e., is deemed "denied"), Claimant may appeal the denial to the Committee within 60 days after receipt of such denial (or after such Claim is deemed denied). In pursuing such appeal, Claimant or his or her duly authorized representative:

i. may request in writing that the Committee review the denial;

ii. may receive, upon request and free of charge, reasonable access to documents, records and other information relevant to the Claim for benefits; and

iii. may submit documents, records and comments and other information in writing.

(b) Upon receipt of a request for review from a Claimant, the Committee shall make a full and fair evaluation. The decision on review shall be made by the Committee within 60 days of receipt of the request for review. If the Committee determines that special circumstances require an extension of time for processing the Claim, the Claimant or representative will receive a written notice of the extension before the end of the initial 60-day period. The extension notice shall indicate the special circumstances requiring the extension and the date by which the Plan expects to render the determination on review. The decision on review shall be made in writing, shall be written in a manner calculated to be understood by Claimant, and, if the decision on review is a denial of the Claim for benefits, shall include:

i. The specific reason or reasons for the denial;

ii. References to the specific Plan provisions on which the denial is based;

iii. A statement that Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to Claimant's Claim for benefits; and

iv. A statement of Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination.

(c) For these purposes, a document, record or other information is "relevant" to the Claim if it:

i. was relied upon the Claims Administrator in making a decision on the Claim;

ii. was submitted, considered or generated in the course of the Claims Administrator's making a decision on the Claim without regard to whether the Claims Administrator relied upon it in making that decision; or

iii. complies with administrative processes and safeguards which are designed to ensure and to verify that decisions on Claims are made in accordance with governing Plan documents, whose provisions are applied consistently with respect to similarly situated Claimants.

(d) The Claimant or representative will receive, free of charge, as soon as possible and sufficiently in advance of the date on which a notice of adverse benefit determination on review is required to be provided, any new or additional evidence considered, relied upon or generated in connection with the Claim, and any new or additional rationales forming the basis of the Committee's determination of the Claim.

7.3 Finality. Other than during a Change in Control Protection Period, all interpretations, determinations and decisions with respect to any Claim, including the appeal of any Claim, and any matter relating to the Plan will be made by the Committee, in its sole discretion, based on the Plan and comments, documents, records and other information presented to it, and will be final, conclusive and binding on all persons. During a Change in Control Protection Period, all such interpretations, determinations and decisions will be subject to de novo review.

7.4 Exhaustion and Time Limit. A Claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a Claim, before filing a Claim and exhausting his or her rights to review under Sections 7.2 and 7.3 above. All actions regarding a denial of benefits or a Claim under the Plan must be filed not later than one year after the date on which the Committee issues its adverse benefit determination. Venue for any such action shall be as provided in Section 10.2.

8. Notices

8.1 General. For purposes of the Plan, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail, return receipt requested, or by overnight courier, postage prepaid, as follows:

(a) If to the Committee or the Company:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417

Attention: Jeff Mann
Senior Vice President, General Counsel,
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

(b) If to a Participant, at the home address which such Participant most recently communicated to the Company in writing.

8.2 Notice of Change of Address. The Company may provide Participants with notice of a change of address, and a Participant may provide the Company with notice of a change of address, pursuant to this Section 8.

8.3 Participant Information. Each Participant shall notify the Committee of his or her home address and each change of home address. Each Participant shall also furnish the Committee with any other information and data that the Committee considers necessary for the proper administration of the Plan. The information provided by the Participant under this Section shall be binding on the Participant and his or her dependents, beneficiaries, heirs and estate for all purposes of the Plan and the Committee shall be entitled to rely on any representations regarding personal facts made by a Participant unless such representations are known to be false.

8.4 Electronic Media. Under procedures authorized or approved by the Committee, any form for any notice, election, designation, or similar communication required or permitted to be given to or received from a Participant under this Plan may be communicated or made available to the Company or a Participant in an electronic medium (including computer network, e-mail or voice response system) and any such communication to or from a Participant through such electronic media shall be fully effective under this Plan for such purposes as such procedures shall prescribe. Any record of such communication retrieved from such electronic medium under its normal storage and retrieval parameters shall be effective as a fully authentic executed writing for all purposes of this Plan absent manifest error in the storage or retrieval process.

9. Certain Federal Tax Considerations

9.1 Internal Revenue Code Section 409A.

(a) The amounts payable under the Plan are intended to comply with or, to the maximum extent possible, be exempt from Section 409A, and all provisions of the Plan shall be interpreted and construed in a manner that establishes an exemption from or compliance with the requirements for avoiding additional taxes or interest under Section 409A(a)(1)(B) of the Code. In no event whatsoever will the Company Group, or any Board member, officer or employee of any Group Company acting on behalf of the Company Group, be liable for any additional tax, interest or penalties that may be imposed on a Participant under Section 409A or any damages for failing to comply with Section 409A. Notwithstanding anything in this Plan to the contrary, the Board, the Committee and the Company Group do not guarantee the tax treatment of any payments or benefits under this Plan, whether pursuant to the Code, federal, state or local tax laws or regulations.

(b) A Termination of Employment shall not be deemed to have occurred for purposes of any provision of the Plan providing for the payment of any amounts or benefits subject to Section 409A upon or following a Termination of Employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of the Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If a Participant is deemed on his or her Termination Date to be a Specified Employee, then with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided on the date which is the earlier of: (i) the first day of the seventh month following the date of such "separation from service" of such Participant, and (ii) the date of such Participant's death (the "***Delay Period***"). Upon the expiration of the Delay Period, all of the payments of a Participant delayed pursuant to this Section 9.1(b)

(whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to such Participant in a lump sum, without interest, and any remaining payments and benefits due such Participant under the Plan shall be paid or provided in accordance with the payment dates specified herein for such payments or benefits.

(c) All reimbursements of expenses provided for herein shall be payable in accordance with the Company's expense reimbursement policies in effect from time to time, but in any event shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Participant seeking reimbursement. No such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year. The right to reimbursement or in-kind benefits shall not be subject to liquidation or exchanged for another benefit.

(d) For purposes of Section 409A, a Participant's right to receive any installment payments pursuant to the Plan shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under the Plan specifies a payment period with reference to a number of days (e.g., "payment shall be made within 60 days following the Termination Date"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(e) To the extent any payment or benefit which constitutes Section 409A deferred compensation is contingent upon the execution and non-revocation of a Release, then such payment or benefit shall not be made until the latest of: (i) the first payroll date occurring on or after the period for revocation of a Release has expired; and (iii) the set payment date otherwise established for commencing the payments and/or benefits. Further, if the full period given to a Participant to consider such Release plus any revocation period provided for in such Release begins in one calendar year and ends in the subsequent calendar year, then any payment or benefit which constitutes Section 409A deferred compensation shall not be made until the subsequent calendar year.

(f) Notwithstanding any provision of the Plan to the contrary, to the extent that any amount constituting Section 409A deferred compensation would become payable in a lump sum rather than installments under the Plan by reason of a Change in Control, such amount shall become payable in a lump sum only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A (a "***Section 409A Change in Control***"). The portion of any payment or benefit which constitutes Section 409A deferred compensation and which would otherwise be payable in a lump sum pursuant to Section 3.2 upon a Change in Control that does not qualify as a Section 409A Change in Control shall be paid based upon the time and form of payment set forth in Section 3.2, and with respect to other awards or programs in accordance with the plan or other documents governing such award.

9.2 Internal Revenue Code Section 280G Contingent Cutback.

(a) If any payment(s) or benefit(s) that a Participant would receive pursuant to the Plan and/or pursuant to any other agreement, plan, policy or arrangement would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and applicable regulations, and (ii) but for this Section 9.2 or any reduction provided by reason of Section 280G of the Code in any such other agreement, plan, policy or arrangement, would be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Participant shall be entitled to receive either (A) the full amount of the parachute payments, or (B) the maximum amount that may be provided to such Participant without resulting in any portion of such parachute payments being subject to the Excise Tax, whichever of clauses (A) and (B), after taking into account applicable federal, state, and local income and employment taxes and the Excise Tax, results in the receipt by such Participant, on an after-tax basis, of the greatest portion of the parachute payments. Any reduction for purposes of clause (B) shall be made in the following order: (i) cash severance payments that are exempt from Section 409A shall be reduced; (ii) other cash payments and benefits that are exempt from Section 409A, but excluding any payments attributable to an acceleration of vesting or payments with respect to equity-based compensation that are exempt from Section 409A, shall be reduced; (iii) any other payments or benefits, but excluding any payments attributable to an acceleration of vesting and payments with respect to equity-based compensation that are exempt from Section 409A, shall be reduced on a pro-rata basis or in such other manner that complies with Section 409A; (iv) any payments attributable to an acceleration of vesting or payments with respect to equity-based compensation that are exempt from Section 409A shall be reduced, in each case beginning with payments that would otherwise be made last in time; and (v) to the extent any of such payments or benefits are Section 409A deferred compensation, such payments shall be reduced, in each case beginning with payments that would otherwise be made last in time but without changing any payment date.

(b) Unless the Company and a Participant otherwise agree in writing, any determination required under Section 9.2(a) shall be made in writing by the Company's independent public accountants, whose determination shall be conclusive and binding upon such Participant and the Company for all purposes. For purposes of making the calculations required by Section 9.2(a), the Company's independent public accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and such Participant shall furnish to the Company's independent public accountants such information and documents as the accountants may reasonably request in order to make a determination under Section 9.2(a). In connection with making determinations under this Section 9.2, the accountants shall take into account the value of any reasonable compensation for services to be rendered by the applicable Participant before or after the Change in Control, including any noncompetition provisions that may apply to the Participant, and the Company shall cooperate in the valuation of any such services, including any noncompetition provisions. The Company shall bear all costs the accountants may reasonably incur in connection with any calculations contemplated by this provision.

10. Additional Provisions

10.1 Records. The records of a Group Company with respect to a Participant's length of employment, employment history, reason for employment termination, base pay, absences, and all other relevant matters may be conclusively relied on by the Committee.

10.2 Choice of Law and Dispute Resolution. This Plan is an employee pension benefit plan that is regulated by ERISA, a federal law. Except to the extent pre-empted by ERISA or other federal law, the Plan shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflict of law provisions. The Company and each Participant agree that the state courts of New Jersey and, if the jurisdictional prerequisites exist at the time, the federal courts in the State of New Jersey, shall have sole and exclusive jurisdiction to hear and determine any dispute or controversy arising under or relating to this Plan. The Company and each Participant irrevocably (i) consents to the exclusive jurisdiction and venue of the courts of New Jersey and federal courts in the State of New Jersey, in any and all actions arising under or relating to this Plan, and (ii) waives any jurisdictional defenses (including personal jurisdiction and venue) to any such action. Other than during a Change in Control Coverage Period, the Committee's interpretation of Plan provisions, and any findings of fact, including eligibility to participate and eligibility for benefits, are final, shall be given deference by any court of law and will not be subject to "de novo" review unless shown to be arbitrary and capricious. The Company and the Participant will each separately pay its counsel fees and expenses unless otherwise determined by a court of competent jurisdiction, provided that with respect to any dispute arising hereunder during a Change in Control Coverage Period, the Company will reimburse the Participant (within ten days of receipt of invoice) for any reasonable legal fees and expenses incurred by a Participant, unless the position of the Participant is finally determined by a court of competent jurisdiction to have been frivolous or advanced in bad faith.

10.3 No Mitigation. No Participant shall have any duty to mitigate the amounts payable under this Plan by seeking or accepting new employment or self-employment following termination. Except as specifically otherwise provided in this Plan, all amounts payable pursuant to this Plan shall be paid without reduction regardless of any amounts of salary, compensation or other amounts that may be paid or payable to the Participant as the result of the Participant's employment by another employer or self-employment.

10.4 Unfunded Obligation. All amounts payable to Participants pursuant to the Plan are unfunded obligations of the Company. The Company shall not be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. Payments under the Plan shall be made, as due, from the general funds of the Company. The Plan shall constitute solely an unsecured promise by the Company Group to make such payments to the extent provided herein.

10.5 Recoupment and Offset. The Company has the unilateral right, in its sole discretion, and to the extent permitted by applicable law, to offset the payment of benefits under the Plan against amounts due from a Participant under the Company's clawback/recoupment policy as in effect from time to time (including, without limitation, any clawback, recovery or recoupment policy which the Company may be required to adopt under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law and the rules and regulations of the U.S. Securities and Exchange Commission thereunder or the requirements of any national securities exchange on which the Company's common stock may be listed) and against any other amounts owed to the Company Group by a Participant.

10.6 Overpayments. If any overpayment is made to a Participant under the Plan for any reason, the Company will have the right to recover the overpayment. The Participant and his successors shall cooperate fully with the Company and return any overpayment. The Company also has the right to offset an overpayment from any other payment of compensation made to or on behalf of the Participant.

10.7 Limitation of Liability; Indemnification.

(a) The members of the Board, the Committee and the Claims Administrator shall have no liability with respect to any action or omission made by them in good faith or from any action made in reliance on (i) the advice or opinion of any accountant, legal counsel, medical adviser or other professional consultant or (ii) any resolutions of the Board certified by the secretary or assistant secretary of the Company. Each member of the Board, the Committee, the Claims Administrator and each employee to whom are delegated duties, responsibilities and authority with respect to the Plan shall be indemnified, defended, and held harmless by the Company and its successors against all claims, liabilities, fines and penalties and all expenses (including but not limited to attorneys' fees) reasonably incurred by or imposed on such member of the Board, the Committee, the Claims Administrator and each employee to whom such duties, responsibilities and authorities are delegated that arise as a result of his, her or its actions or failure to act in connection with the operation and administration of the Plan, to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty or expense is not paid for by liability insurance purchased by or paid for by the Company (or any of the other companies in the Company Group). Notwithstanding the foregoing, the Company shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

(b) To the extent applicable, the Company will continue to cover each Participant under its directors' and officers' insurance policy following the applicable Termination Date for a period of time equal to the applicable statute of limitations. The Company shall indemnify and hold each Participant harmless to the fullest extent legally permitted or authorized by the Company's by-laws or by applicable law, in respect of any liability, damage, cost or expense (including reasonable attorneys' fees) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding to which the Participant is a party by reason of the Participant's being or having been an officer or director of the Company or any subsidiary or affiliate, or the Participant's serving or having served at the request of such other entity as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, business organization, enterprise or other entity, including service with respect to employee benefit plans. Without limiting the generality of the foregoing, the Company shall pay the expenses (including reasonable attorneys' fees) actually and reasonably incurred in defending any such claim, action, suit or proceeding in advance of its final disposition, upon receipt of the Participant's undertaking to repay all amounts advanced unless it is ultimately determined that the Participant is entitled to be indemnified under this Section.

10.8 No Representations. By executing a Participation Agreement, a Participant acknowledges that in becoming a "Participant" in the Plan, such Participant is not relying and has not relied on any promise, representation or statement made by or on behalf of the Company Group which is not set forth explicitly in the Plan.

10.9 Waiver. No waiver by a Participant or the Company Group of any breach of, or of any lack of compliance with, any condition or provision of the Plan by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

10.10 Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.11 Benefits Not Assignable. Except as otherwise required by law, no right or interest of any Participant under the Plan shall be assignable or transferable, in whole or in part, either directly or otherwise, including, without limitation, by execution, levy, garnishment, attachment, pledge or in any other manner, and no attempted transfer or assignment thereof shall be effective.

10.12 Tax Withholding. All payments made pursuant to the Plan will be subject to withholding of applicable income and employment taxes.

10.13 Further Assurances. From time to time, at the Company's request and without further consideration, a Participant shall execute and deliver such additional documents and take all such further action as reasonably requested by the Company to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of the Plan, such Participant's Participation Agreement, and/or such Participant's Separation and Release Agreement.

10.14 Successors. This Plan shall inure to the benefit of and be binding upon the Company, each company with the Company Group, and their respective successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of any Group Company to assume expressly and agree to comply with this Plan in the same manner and to the same extent that such Group Company would be required to comply with it if no such succession had taken place. Failure to require such assumption will be a material breach of this Plan. Any successor to the business or assets of any Group Company that assumes or agrees to perform this Plan by operation of law, contract, or otherwise shall be jointly and severally liable with the Company Group under this Plan as if such successor were the employer.

10.15 Payments to Beneficiary. If a Participant dies after becoming entitled to payments under this Plan but before receiving all amounts to which he or she is entitled under this Plan, then such remaining amounts shall be paid to his or her estate notwithstanding his or her marital status.

Schedule A

Eligible Employees and Severance Schedule

Job Level/Title	Severance Formula (Outside of CIC Coverage Period)	Health & Welfare Severance Benefit Period	CIC Severance Formula (During CIC Coverage Period)	Health & Welfare Severance Benefit During CIC Coverage Period
CEO	24 months of Base Salary plus 2x Target Annual Bonus	24 months	3x sum of (i) Base Salary as of the Termination Date plus (ii) greater of (a) Target Annual Bonus or (b) Annualized Bonus	36 months
CEO SVP Direct Reports	12 months of Base Salary plus 1x Target Annual Bonus	12 months	2x sum of (i) Base Salary as of the Termination Date plus (ii) greater of (a) Target Annual Bonus or (b) Annualized Bonus	24 months
VPs as Designated by the Committee	9 months of Base Salary	9 months	1x sum (i) of Base Salary as of the Termination Date plus (ii) greater of (a) Target Annual Bonus or (b) Annualized Bonus	12 months

EXHIBIT A

FORM OF AGREEMENT TO PARTICIPATE IN THE EMBECTA EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

[EMBECTA LETTERHEAD]

[DATE], 20____

AGREEMENT TO PARTICIPATE IN THE EMBECTA CORP. EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

Dear [INSERT PARTICIPANT NAME],

As a critical employee of Embecta Corp. (the "Company" and, together with its direct and indirect subsidiaries, the "Company Group") or another member of the Company Group, you are eligible to participate in the Company's newly adopted Executive Severance and Change in Control Plan (as amended from time to time, the "Plan"). A copy of the Plan is enclosed with this Agreement to Participate in the Embecta Executive Severance and Change in Control Plan (the "Participation Agreement"). Capitalized terms used in this Participation Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

The Company considers the severance benefits offered under the Plan to be an important part of our overall executive compensation program and consistent with competitive market practice. We believe that providing appropriate severance benefits helps to attract and retain highly qualified executives by providing income continuity in the event of an involuntary termination of employment. These arrangements also allow the Company Group to protect its interests through corresponding confidentiality, non-solicitation, noncompetition and other restrictive covenants, which are among the provisions that will be incorporated into a Separation and Release Agreement that the Participant in the Plan must execute and return (and not thereafter revoke) in order to be eligible to receive the severance benefits set forth in the Plan. You are hereby notified in accordance with the Defend Trade Secrets Act of 2016 that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You are further notified that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (a) file any document containing the trade secret under seal; and (b) do not disclose the trade secret, except pursuant to court order.

By accepting this Participation Agreement, you hereby acknowledge, agree and confirm that:

1. You have received a copy of the Plan and have read, understand and are familiar with the terms and provisions of the Plan;

2. The Plan supersedes and replaces the severance provisions of any existing severance arrangement (or other agreement providing for severance benefits), whether written or unwritten, to which you are a party[, including but not limited to the [INSERT NAME(S) OF EXISTING AGREEMENT(S) PROVIDING SEVERANCE BENEFITS], dated [INSERT DATE]] (each, a "Prior Severance Agreement"). You agree that each Prior Severance Agreement is hereby rendered null and void and no longer in effect. You further agree that in no circumstances are you or will you be eligible to receive severance benefits of any kind under a Prior Severance Agreement.

3. The employment relationship between yourself and the Company (or any Group Company that employs you) is an "at-will" relationship;

4. In order to obtain certain of the severance benefits provided for in the Plan, you will be required to execute, deliver, and not thereafter revoke, a Separation and Release Agreement, which will contain, among other things, certain restrictive covenants to which you will be subject;

5. Disputes and disagreements regarding your right to severance benefits under the Plan are governed by a claims procedure set forth in Section 7 of the Plan, which you must follow; and

6. The Company has the unilateral right, in its sole discretion, to offset the payment of benefits to you under the Plan against amounts due from you under the Company's clawback/recoupment policy as in effect from time to time and against any other amounts that you owe to the Company Group.

You acknowledge that: (i) the Plan confers significant legal rights and obligations; (ii) the Company has encouraged you to consult with legal and financial advisors as appropriate; and (iii) you have had adequate time to consult with such advisors before executing this Participant Agreement.

Please indicate your acceptance and agreement to the Plan and this Participation Agreement by signing in the space indicated below and returning the agreement to the Company by no later than [INSERT]. Upon your acceptance, you shall be deemed a "Participant" of the Executive Severance Plan as of the date your duly signed Participation Agreement is received by the Company.

Sincerely,

EMBECTA CORP.

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED BY THE UNDERSIGNED ON THIS ____ DAY OF____, 20__.

PARTICIPANT

[INSERT PARTICIPANT NAME]
Signature

Name Printed

Address

Exhibit 10.6

FORM OF EMBECTA DEFERRED COMPENSATION PLAN

Effective [_____], 2022

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EMBECTA DEFERRED COMPENSATION PLAN

Effective as of [____], 2022

FOREWORD

On [____], 2022 Becton Dickinson Corporation ("BD") entered into a transaction whereby the public shareholders of BD would be issued stock dividends consisting of the common stock of Embecta Corp. ("Embecta") as of [____], 2022 separation date, as described in the Form 10 filed by Embecta with the SEC on [____], 2022 (the transaction, the "Separation"). BD and Embecta entered into a Separation and Distribution Agreement, a form of which is attached as Exhibit 2.1 to the Form 10 filed by Embecta on [____], 2022 (the "Separation Agreement") to effect the Separation.

As a result of the Separation, BD and Embecta are no longer members of the same controlled group of corporations.

BD adopted the BD Deferred Compensation and Retirement Benefit Restoration Plan (the "BD Plan"), effective August 1, 1994 and thereafter amended from time to time, to allow a select group of key management or other highly compensated employees of the BD and its affiliates and subsidiaries to defer a portion of the salaries, bonuses and other remuneration (including certain equity-based compensation) otherwise payable to them.

On [____], 2022 (the "Effective Date"), Embecta adopted this Embecta Deferred Compensation Plan (the "Plan") for the benefit of certain employees to (i) accept the liabilities of Participants and Beneficiaries of the BD Plan spun-off to Embecta as set forth on Exhibit A and (ii) to provide benefits to Participants as set forth herein. The purpose of the Plan is to permit those employees of the Company who are part of a select group of management or highly compensated employees to defer, pursuant to the provisions of the Plan, a portion of the salaries, bonuses and other remuneration otherwise payable to them. The Plan is intended to be an unfunded plan of deferred compensation primarily for the benefit of a select group of management and highly compensated employees.

In accordance with the Separation Agreement and immediately after the Separation, BD spun-off a portion of the BD Plan to Embecta designated by BD which represents the assets and liabilities of Participants and Beneficiaries related to the BD Plan under the Plan as set forth on Exhibit A (the "Transferred Amounts") which, for the avoidance of doubt, shall not include any assets and liabilities relating to the Restoration Plan Benefit (as defined in the BD Plan).

All Transferred Amounts will be subject to the terms of the Plan. Specifically, the Plan shall apply as follows:

- Pre-Separation Deferrals. Transferred Amounts related to deferrals made prior to the Separation, and earnings thereon, shall continue to be administered in accordance with the terms of the BD Plan, as amended and restated effective January 1, 2022 (attached as Exhibit B) and with any elections made thereunder; provided that the BD Plan shall be subject to Amendment 2022-1 attached hereto as Exhibit C.

- Post-Separation Deferrals. The provisions of this Plan shall apply to deferrals made on or following the Separation, and earnings thereon.

ARTICLE I
Definitions

Section 1.1 "401(k) Plan" means the Embecta 401(k) Plan.

Section 1.2 "401(k) Plan Non-Elective Contributions"means Company Non-Elective Contributions (as defined in the 401(k) Plan), which shall include Temporary Supplemental Non-Elective Contributions (as defined in the 401(k) Plan), as applicable.

Section 1.3 "Account" or "Accounts" means the bookkeeping account or accounts established under the Plan, if any, on behalf of a Participant and includes earnings credited thereon or losses charged thereto.

Section 1.4 "Agreement"means an agreement entered into between an Eligible Employee and the Company, as agreed to by the Compensation and Benefits Committee of the Board of Directors of the Company (or any committee successor thereto), to participate in the provisions of this Plan related to Restoration Plan benefits and delineating certain terms and conditions with respect to such participation including (but not limited to) the benefits (if any) that are to be provided to the Eligible Employee in lieu of or in addition to the benefits described under the terms of this Plan.

Section 1.5 "Annual Open Enrollment Period" means the annual period designated by the Committee, which ends not later than the December 31 of a Plan Year, during which a Participant may make or change deferral and/or distribution elections under this Plan.

Section 1.6 "Base Salary" means the base salary or wages otherwise taken into account under the 401(k) Plan, determined in accordance with the provisions of such plan, but without regard to the limitation on compensation otherwise required under Code Section 401(a)(17), and without regard to any deferrals of the foregoing of compensation under this or any other plan of deferred compensation maintained by the Company.

Section 1.7 "Beneficiary" or "Beneficiaries"means the beneficiary or beneficiaries who, pursuant to the provisions of this Plan, is or are to receive the amount, if any, payable under this Plan upon the death of a Participant.

Section 1.8 "Board of Directors" means the Board of Directors of the Company.

Section 1.9 "Bonus" means the annual bonus payable under the Company's Performance Incentive Plan, or any successor thereto.

Section 1.10 "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

Section 1.11 "Committee" means the Plan Administrative Committee, which is responsible for administering the Plan. The Committee shall consist of three or more employees of the Company as determined by, and appointed by, the Board of Directors. The Committee may delegate pursuant to a written authorization (including, by way of illustration, through a contract, memorandum, or other written delegation document) any or all of its responsibilities involving ongoing day-to-day administration or ministerial acts, as set forth in this Plan to one or more individuals or service-providers. In any case where this Plan refers to the Committee, such reference is deemed to be a reference to any delegate of the Committee appointed for such purpose.

Section 1.12 "Company" means Embecta and any successor to such corporation by merger, purchase or otherwise.

Section 1.13 "Company Discretionary Credits" means the amounts credited to a Participant's Company Discretionary Credit Account, if any, pursuant to Section 3.4.

Section 1.14 "Company Discretionary Credit Account" means the bookkeeping account established under Section 3.4, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

Section 1.15 "Company Matching Credits" means the amounts credited to a Participant's Company Matching Credit Account, if any, pursuant to Section 3.3.

Section 1.16 "Company Matching Credit Account" means the bookkeeping account established under Section 3.3, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

Section 1.17 "Company Non-Elective Credits" means the amounts credited to a Participant's Company Non-Elective Credit Account, if any, pursuant to Section 3.5.

Section 1.18 "Company Non-Elective Credit Account" means the bookkeeping account established under Section 3.5, if any, on behalf of a Participant and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.19 "Deferral Election" means the Participant's election to participate in this Plan and defer amounts eligible for deferral in accordance with the Plan terms. Except as the context otherwise requires, references herein to Deferral Elections include any subsequent modifications of a prior Deferral Election.

Section 1.20 "Deferred Bonus" means the amount of a Participant's Bonus that such Participant has elected to defer until a later year pursuant to an election under Section 3.2.

Section 1.21 "Deferred Bonus Account" means the bookkeeping account established under Section 3.2 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article IV.

Section 1.22 "Deferred Bonus Election" means the election by a Participant under Section 3.2 to defer a portion of the Participant's Bonus until a later year.

Section 1.23 "Deferred Salary" means the amount of a Participant's Base Salary that such Participant has elected to defer until a later year pursuant to an election under Section 3.1.

Section 1.24 "Deferred Salary Account" means the bookkeeping account established under Section 3.1 on behalf of a Participant, and includes any earnings credited thereon or losses charged thereto pursuant to Article V.

Section 1.25 "Deferred Salary Election" means the election by a Participant under Section 3.1 to defer until a later year a portion of his or her Base Salary.

Section 1.26 "Disability" or "Disabled" means a Participant's disability as determined in accordance with a disability insurance program maintained by the Company.

Section 1.27 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

Section 1.28 "Fiscal Year" means the fiscal year of the Company, which currently is the twelve-month period commencing on the first day of October and ending on the last day of September of the following calendar year.

Section 1.29 "Group" means the Company and any other company which is related to the Company as a member of a controlled group of corporations in accordance with Section 414(b) of the Code, as a trade or business under common control in accordance with Section 414(c) of the Code or any other entity to the extent it is required to be treated as part of the Group in accordance with Section 414(o) of the Code and any regulations thereunder, or any organization which is part of an affiliated service group in accordance with Section 414(m) of the Code. For the purposes under the Plan of determining whether or not a person is a Participant and the period of employment of such person, each such company shall be included in the "Group" only for such period or periods during which such other company is a member of the controlled group or under common control.

Section 1.30 "Investment Election" means the Participant's election to have deferred amounts credited with hypothetical earnings credits (or losses) that track the investment performance of the Investment Options in accordance with Article IV.

Section 1.31 "Investment Options" means those hypothetical targeted investment options designated by the Committee as measurements of the rate of return to be credited to (or charged against) amounts deferred to Participants' Accounts.

Section 1.32 "Participant" means a common law employee of the Company who meets the eligibility and participation requirements set forth in Article II.

Section 1.33 "Plan" means the Embecta Deferred Compensation Plan as from time to time in effect.

Section 1.34 "Plan Year" means the calendar year.

Section 1.35 "Separation from Service" means a termination of employment or other separation from service from the Company as described in Code Section 409A and the regulations thereunder.

Section 1.36 "Specified Employee" means a person identified in accordance with procedures adopted by the Committee that reflect the requirements of Code Section 409A(a)(2)(B)(i) and applicable guidance thereunder.

Section 1.37 "Spouse" means the individual to whom the Participant is legally married on the date of death or other benefit commencement.

Section 1.38 "Total Eligible Compensation" means the base salary or wages and bonus otherwise taken into account under the 401(k) Plan, determined in accordance with the provisions of such plan, but without regard to the limitation on compensation otherwise required under Code Section 401(a)(17), and without regard to any deferrals of the foregoing of compensation under this or any other plan of deferred compensation maintained by the Company; provided, however, that Total Eligible Compensation for a Plan Year shall not exceed three (3) times the dollar limit otherwise in effect for such Plan Year under Code Section 401(a)(17).

ARTICLE II
Eligibility and Participation

Section 2.1 Eligibility.

(a) Only "Eligible Employees" who meet the conditions of this Article II shall be eligible to become a Participant in this Plan.

(b) An "Eligible Employee" is an individual who meets the following requirements:

(i) the individual is a common law employee of a unit of the Company (or of one of its subsidiaries) to which the Plan has been adopted pursuant to a decision by, or with the approval of, the Board of Directors;

(ii) the individual is not a nonresident alien of the United States receiving no United States source income within the meaning of Sections 861(a)(3) or 911(d)(2) of the Code; and

(iii) (A) the employee has annualized Base Salary of $235,000 or more (indexed annually by the same amount as the compensation limit under Code Section 401(a)(17) beginning on November 1, 2022) as of November 1 of the calendar year prior to the calendar year in which the Deferral Election takes effect; provided, however, that a new hire employee's annual Base Salary for purposes of this Section 2.1(c)(iii) is determined as of his or her date of hire. For purposes of clarity, if the Deferral Election takes effect as of January 1, 2022, the employee must have an annual Base Salary of $235,000 as of November 1, 2021 or (B) the employee is allocated a Non-Elective Credit under the Plan respect to a calendar year pursuant to Section 3.5.

(c) The Committee shall have the ability to adjust, prospectively for any Plan Year, the dollar limitation in Section 2.1(b)(iii). The Committee may also:

(i) designate as ineligible particular individuals, groups of individuals or employees of business units who otherwise would be eligible under Section 2.1(b); or

(ii) designate as eligible particular individuals, groups of individuals or employees of business units who otherwise would be ineligible under Section 2.1(b);

provided, however, that any such designations shall be made in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance thereunder to avoid adverse tax consequences to affected Participants.

(d) An employee who, at any time, ceases to meet the foregoing eligibility requirements, as determined in the sole discretion of the Committee, shall thereafter cease to be a Participant eligible to continue making deferrals under the Plan, effective as of the first day of the Plan Year coincident with or next following the date of such cessation of eligibility in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance issued thereunder to avoid adverse tax consequences to affected Participants, and any deferral elections then in effect shall cease to be effective as of the first day of such Plan Year. In such case, the individual may remain a Participant in the Plan with respect to amounts already deferred prior to the date such individual ceased to be an active Participant.

Section 2.2 Participation.

(a) General Rule. An Eligible Employee shall become an active Participant in the Plan at the earliest time that the Eligible Employee: (i) makes a timely Deferral Election pursuant to Subsections (b) and (c) herein; or (ii) meets the requirements under Subsection (d) with respect to eligibility for a Company Non-Elective Credit.

(b) Deferral Election. Subject to Section Section 2.2(d), as soon as practicable after the Committee determines that an individual is an Eligible Employee, the Committee shall provide the Eligible Employee with the appropriate election forms with which to make a Deferral Election. The Eligible Employee shall make the Deferral Election in the manner set forth in Subsection (c) herein and within the time periods set forth in Article III. In the case of an employee who first becomes an Eligible Employee under this Plan (and is not eligible for any other plan with which this Plan is aggregated for purposes of Code Section 409A) during a Plan Year, such Deferral Election may be made within the first thirty (30) days of eligibility with respect to any Base Salary to be earned thereafter for the remainder of the Plan Year. If the Participant does not return the completed forms to the Committee at such time as required by the Committee, the Participant will not be allowed to participate in the Plan until the next Annual Open Enrollment Period. All Deferral Elections hereunder (including any modifications of prior Deferral Elections otherwise permitted under the Plan) may be made in accordance with written, electronic or telephonic procedures prescribed by the Committee.

Notwithstanding the foregoing, the earliest an individual hired in November or December of a Plan Year shall first become an Eligible Employee under this Plan is as of January 1 of the Plan Year immediately following his or her date of hire.

(c) Contents of Deferral Election. A Participant's Deferral Election must be made in the manner designated by the Committee and must be accompanied by:

(i) any election to defer Base Salary and/or Bonus;

(ii) any election to defer payment of any Company Discretionary Credits and a separate deferral period election with respect to each such separate category of deferral;

(iii) an Investment Election in accordance with the provisions of Article IV;

(iv) a designation of a Beneficiary or Beneficiaries to receive any deferred amounts owed upon the Participant's death;

(v) a designation as to the form of distribution for each separate year's deferral and each separate category of deferral (Company Matching Credit deferrals will be subject to the Participant's distribution option elections with respect to Base Salary; provided, however, that if the Participant does not make a Base Salary election but does make a Bonus deferral election, then the Participant's Company Matching Credit deferrals will be subject to the Participant's distribution option elections with respect to Bonus); provided, however, that if no specific election is made with respect to any deferred amount, the Participant will be deemed to have elected to receive such amounts in the form of a lump sum distribution in cash; and

(vi) such additional information as the Committee deems necessary or appropriate.

(d) Unless the Committee determines otherwise or unless otherwise provided in an Agreement, if any, an Eligible Employee shall automatically become a Participant in this Plan upon an allocation of Company Non-Elective Credits under Section 3.5 to his or her Company Non-Elective Credit Account, but such Participant shall not be permitted to make a Deferral Election unless such Participant otherwise meets the eligibility requirements set forth in Section 2.1(b)(iii)(A).

(e) The participation of any Participant may be suspended or terminated by the Committee at any time, but no such suspension or termination shall operate to reduce any benefits accrued by the Participant under the Plan prior to the date of suspension or termination and, further, any such suspension or termination may only be done in a manner consistent with the requirements of Code Section 409A and the regulations and other guidance issued thereunder to avoid adverse tax consequences to affected Participants.

ARTICLE III
Deferral Elections and Deferral Periods

Section 3.1 Deferred Salary Election.

(a) Each Participant who has elected to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the 401(k) Plan and under Code Section 402(g) may make a Deferred Salary Election with respect to Base Salary otherwise to be paid in such calendar year. A Participant may elect to defer from 1% to 75% of the Participant's Base Salary (in increments of 1%). Notwithstanding the foregoing, any Deferred Salary Election must be made in a manner that will ensure that the Participant is paid a sufficient amount of Base Salary that will allow adequate amounts available for (i) any pre-tax elective deferrals under the 401(k) Plan, and (ii) any amounts to be deferred by the Participant in order to participate in any other benefit programs maintained by the Company.

(b) Except with respect to Deferred Salary Elections made by Participants who first become eligible to participate during a Plan Year (which elections must be made as specified in Section 2.2(b)), a Deferred Salary Election with respect to Base Salary for a particular calendar year must be made during the time period specified by the Committee, but in no event later than the December 31 preceding the commencement of that calendar year or at such earlier time as determined by the Committee. Once a Deferred Salary Election is made, it shall be irrevocable after the final deadline established by the Committee for making the election. Such Deferred Salary shall be credited to the Participant's Deferred Salary Account as of the first business day after the last day of each payroll period.

Section 3.2 Deferred Bonus Election.

(a) Each Participant who agrees to defer the maximum pre-tax elective deferral that is permitted for a calendar year under the 401(k) Plan and under Code Section 402(g) may elect to make a Deferred Bonus Election with respect to a Bonus otherwise to be paid in the calendar year immediately following (or, in the discretion of the Committee, in a later year following) the year of the Participant's Deferred Bonus Election. A Participant may elect to defer from 1% to 100% of the Participant's Bonus (in increments of 1%); provided, however, that the Participant's Deferred Bonus Election must result in a deferral of at least $5,000. In the event that Participant's Deferred Bonus Election does not result in a deferral of at least $5,000 but the Participant's Bonus is at least $5,000, such Participant's Deferred Bonus Election shall be automatically increased to the percentage that results in a deferral of $5,000. In the event that the Participant's Bonus is less than $5,000, such Participant's Deferred Bonus Election shall be void.

(b) A Deferred Bonus Election with respect to any Bonus to be earned during a Fiscal Year must be made no later than the date that is six months before the end of the performance period (which performance period shall not be less than twelve months) or such other earlier date designated by the Committee. Once made, a Deferred Bonus Election cannot be changed or revoked after the final deadline established by the Committee for making the election, except as provided herein. Such Deferred Bonus shall be credited to the Participant's Deferred Bonus Account as of the first business day in January of the year that the Bonus otherwise would have been paid to the Participant in the absence of any deferral hereunder.

Section 3.3 Company Matching Credits.

(a) If a Participant has made a Deferred Salary Election in accordance with Section 3.1 or a Deferred Bonus Election in accordance with Section 3.2, then the Participant shall be eligible to have Company Matching Credits credited to the Participant's Company Matching Credit Account in accordance with Section 3.4(b). The maximum potential Company Matching Credits for a Participant under this Plan for a Plan Year shall equal the difference between 4.5% of Total Eligible Compensation minus the maximum Company matching contribution available to the Participant under the 401(k) Plan. That potential maximum amount shall be credited to a Participant's Company Matching Credit Account only if the Participant has deferred at least 6% of Total Eligible Compensation, taking into account deferrals under this Plan and pre-tax elective deferrals under the 401(k) Plan (other than catch-up contributions). If a Participant has deferred less than 6% of Total Eligible Compensation, taking into account deferrals under this Plan and pre-tax elective deferrals under the 401(k) Plan (other than catch-up contributions), then the actual Company Matching Credits to be credited to a Participant's Company Matching Credit Account shall equal 75% of the total of the Participant's Deferred Salary and Deferred Bonus under this Plan plus the Participant's pre-tax elective deferrals under the 401(k) Plan (other than catch-up contributions), less the matching contribution to which the Participant is entitled under the 401(k) Plan.

(b) Company Matching Credits under Section 3.3(a) shall be credited to the Participant's Company Matching Credit Account as soon as practicable as determined by the Committee after such deferral is credited to the Participant's Deferred Salary Account and/or Deferred Bonus Account, but in no event less frequently than on an annual basis, and shall be subject to the overall Plan Year limit on such amounts described in Section 3.3(a) and the vesting schedule described in Article IV.

Section 3.4 Company Discretionary Credits.

(a) The Company may, in its sole discretion, provide for additional credits to all or some Participants' Accounts at any time. Such amounts shall be credited to the Participant's Company Discretionary Credit Account and shall be subject to the vesting schedule established by the Company at the time such amounts are credited.

Section 3.5 Company Non-Elective Credits.

(a) Each Eligible Employee shall receive a Company Non-Elective Credit credited to the Participant's Company Non-Elective Credit Account for each Plan Year if the Eligible Employee is employed by a Participating Employer on the Company's last business day of such Plan Year, unless not employed on such date due to death, Disability, or retirement from active employment (within the meaning of Section 5.1(a)(i) and (ii)).

(b) The Company Non-Elective Credit shall equal:

(i) The total amount of the Participant's 401(k) Plan Non-Elective Contributions for the applicable Plan Year (including any Temporary Supplemental Non-Elective Contributions, if applicable) that would have been credited to such Participant if such Non-Elective Contributions had not been reduced due to the limitations set forth in the Code; minus

(ii) The amount of the Participant's 401(k) Plan Non-Elective Contributions for such Plan Year.

(c) Company Non-Elective Credits under Section 3.5(a) shall be credited to the Participant's Company Non-Elective Credit Account as soon as practicable after the end of the Plan Year to which the Company Non-Elective Credit relates, and shall be subject to the vesting schedule described in Article IV.

Section 3.6 Deferral Period.

(a) In accordance with Section 2.2(b), and subject to the limitation of Section 3.6(b), each Participant must elect the deferral period for each separate category of deferral. Subject to the additional deferral provisions of Section 3.7 and the acceleration provisions of Article V, a Participant's deferral period with respect to amounts deferred other than those described in Section 3.6(b) may be for a specified number of years or until a specified date, subject to any limitations that the Committee in its discretion may choose to apply (which limitations shall comply with the requirements for tax deferral under Code Section 409A), provided that, in all events, a deferral period must be for at least two (2) years from the first day of the Plan Year in which the deferred amounts would otherwise be payable (or, in the case of amounts described in Section 3.3, credited to the Participant's Account). However, notwithstanding the deferral period otherwise specified, payments shall be paid or begin to be paid under the Plan in accordance with the mandatory distribution provisions in Article V and any election which would otherwise result in a deferral beyond any applicable mandatory distribution age is invalid.

(b) Notwithstanding the provisions of Section 3.6(a) and Section 2.2(b), and subject to Section 5.1(e), all Company Matching Credits credited to a Participant's Company Matching Credit Account pursuant to Section 3.3 shall be deferred until the Participant's Separation from Service and may not be deferred to a specified date prior to such Participant's Separation from Service. The foregoing notwithstanding, in any case where the Participant is a Specified Employee, payment of the amounts under this Section 3.6(b) on account of the Participant's Separation from Service shall be deferred until as soon as practicable after the earlier of (i) the first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date), or (ii) the date of the Participant's death, subject to any permitted further deferral election on account of a change in form of payment.

Section 3.7 Modification of Deferral Period.

(a) With respect to any deferred amounts credited to a Participant's Accounts an additional deferral election may be made, provided that such election shall not be effective unless the following requirements are met:

(i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) except for payments made on account of a Participant's death or financial hardship under Section 5.1(e), the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;

(iii) any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and

(iv) any such additional deferral election shall not be effective if it would otherwise result in deferring amounts later than the mandatory distribution age provisions of Article V.

ARTICLE IV
Participants' Accounts

Section4.1 Crediting of Employee Deferrals and Company Matching, Discretionary and Non-Elective Credits.

(a) Deferrals to this Plan that are made under Article III shall be credited to the Participant's Accounts in accordance with such rules established by the Committee from time to time. Each Participant's Accounts shall be administered in a way to permit separate Deferral Elections, deferral periods, and Investment Elections with respect to various Plan Year deferrals and compensation types as the Committee determines, in its sole discretion, are necessary or appropriate.

Section4.2 Investment Election.

(a) Participants' Investment Elections with respect to deferred amounts hereunder shall be made pursuant to the written, telephonic or electronic methods prescribed by the Committee and subject to such rules on Investment Elections and Investment Options as established by the Committee from time to time. Upon receipt by the Committee, and in accordance with rules established by the Committee, an Investment Election shall be effective as soon as practicable after receipt and processing of the election by the Committee. Investment Elections will continue in effect until changed by the Participant. An eligible Participant may change a prior Investment Election (or default Investment Election) with respect to deferred amounts on a daily basis, by notifying the Committee, at such time and in such manner as approved by the Committee. Any such changed Investment Election may result in amending Investment Elections for prior deferrals or for future deferrals or both.

(b) For purposes of Company Non-Elective Credits, the most recent Investment Elections in effect for a Participant's Company Matching Credits (if any) that relate to the same Plan Year as the Company Non-Elective Credits as of the date the Company Non-Elective Credits are made will be used for such Company Non-Elective Credits and, in the absence of any Investment Elections, the Plan's default Investment Elections will be used for the Company Non-Elective Credits.

Section4.3 Hypothetical Earnings.

(a) Subject to Section 4.2, except as otherwise provided herein, additional hypothetical bookkeeping amounts shall be credited to (or deducted from) a Participant's Accounts to reflect the earnings (or losses) that would have been experienced had the deferred amounts been invested in the Investment Options selected by the Participant as targeted rates of return, net of all fees and expenses otherwise associated with the Investment Options. The

Committee may add or delete Investment Options, on a prospective basis, by notifying all Participants whose Accounts are hypothetically invested in such Investment Options, in advance, and soliciting elections to transfer deferred amounts so that they track investments in other Investment Options then available.

Section 4.4 Vesting.

(a) At all times a Participant shall be fully vested in his Deferred Salary and Deferred Bonus Accounts hereunder (including any earnings or losses thereon). A Participant shall become vested in any Company Matching Credits and Company Non-Elective Credits in the same manner and to the same extent as the Participant is vested in matching contributions otherwise credited to the Participant under the 401(k) Plan. A Participant shall become vested in any Company Discretionary Credits pursuant to the vesting schedule established by the Company at the time such Credits, if any, are made. Except as otherwise provided in Section 5.1(b) (death) or Section 5.1(c) (disability), if a Participant incurs a Separation from Service at any time prior to becoming fully vested in amounts credited to the Participant's Accounts hereunder, the nonvested amounts credited to the Participant's Accounts shall be immediately forfeited and the Participant shall have no right or interest in such nonvested deferred amounts.

Section 4.5 Account Statements.

(a) Within 60 days following the end of each Plan Year (or at such more frequent times determined by the Committee), the Committee shall furnish each Participant with a statement of Account which shall set forth the balances of the individual's Accounts as of the end of such Plan Year (or as of such time determined by the Committee), inclusive of tracked earnings (or losses). In addition, the Committee shall maintain records reflecting each year's deferrals separately by type of compensation.

ARTICLE V
Distributions and Withdrawals

Section 5.1 Timing of Distributions.

(a) Timing of Distribution – Distributions of Vested Accounts Other than Death, Disability, or Scheduled Distributions. Except as otherwise provided herein, in the case of a Participant who incurs a Separation from Service before retirement from active employment (as defined below), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 5.2), as soon as practicable (as determined by the Committee) after the Participant's Separation from Service. Notwithstanding the foregoing, in the case of a Participant who incurs a Separation from Service with vested Company Non-Elective Credits, such vested Company Non-Elective Credits shall be paid in the form of a single lump sum distribution as soon as practicable after such Separation from Service for any reason (subject to the delay requirements described below that are applicable to Specified Employees). In the case of a Participant who retires from active employment hereunder (as defined below), and subject to Section 5.1(e), a Participant's vested Accounts shall be paid or commence to be paid, in the form of distribution elected in a particular Deferral Election (subject to Section 5.2), as soon as practicable (as determined by the Committee) following the later of: (I) the date the Participant retires from active employment, or (II) the date otherwise specified in the Participant's Deferral Election. For purposes of this Section 5.1(a), a Participant "retires from active employment" if:

(i) the Participant Separates from Service with the Company or an affiliate after having attained age 65; or

(ii) the Participant Separates from Service after having attained age 55 with ten years of service (as would be determined under the 401(k) Plan) or an affiliate.

The foregoing notwithstanding, in any case where the Participant is a Specified Employee, payment of amounts in the Participant's vested Accounts under this Section 5.1(a) on account of the Specified Employee's Separation from Service shall be deferred until the earlier of (x) first day of the seventh month following the Participant's Separation from Service (without regard to whether the Participant is reemployed on that date), or (y) the date of the Participant's death, subject to any additional deferral of such payments as provided for in the Plan.

(b) Timing of Distributions – Participant's Death.

(i) If a Participant dies before the full distribution of the Participant's Accounts under this Article V, any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Unless the Participant had commenced receiving installment payments, as soon as practicable after the Participant's death, all remaining amounts credited to the Participant's Accounts shall be paid in a single lump sum payment to the Participant's named Beneficiary (or Beneficiaries). In the absence of any Beneficiary designation, payment shall be made to the personal representative, executor or administrator of the Participant's estate. Beneficiary designations may be changed by a Participant at any time without the consent of the Participant's Spouse or any prior Beneficiary.

(ii) If a Participant dies after having commenced to receive installment payments pursuant to a scheduled distribution election, the Participant's Beneficiary shall receive the remaining installment payments as said payments become due under the scheduled distribution option elected by the Participant.

(c) Timing of Distributions – Participant's Disability. Notwithstanding anything in the Plan to the contrary, if a Participant becomes Disabled, any deferred amounts that are not vested and have not previously been forfeited shall become 100% vested. Notwithstanding anything in a Participant's Deferral Election to the contrary with respect to payment commencement, as soon as practicable after the Participant becomes Disabled, all remaining amounts credited to the Participant's Accounts shall be paid or commence to be paid to the Participant in the form of distribution elected by the Participant in the Participant's Deferral Election. Such distribution shall be made only if the Committee, taking into account the type of factors taken into account in the event of a hardship under Section 5.1(e), in its sole discretion, approves such request

(d) Scheduled Distribution. As a part of the Participant's Deferral Election with respect to scheduled distributions, a Participant may elect to receive a lump sum distribution or annual installments (over 2, 3, 4 or 5 years, as elected by the Participant) equal to all or any part of the vested balance of the Participant's Accounts to be paid (or commence to be paid) at a scheduled distribution date, subject to the timing requirements in Section 5.1(a) and the limitations of Section 3.7. For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts subject to the scheduled distribution election by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period. These scheduled distributions are generally available only for distributions that are scheduled to commence to be paid while a Participant is employed by the Company. If a Participant incurs a

Separation from Service before commencing receipt of scheduled distributions, the timing requirements of Section 5.1(a) shall apply (which requirements provide for payment upon Separation from Service, unless the Participant has attained retirement age, in which case a later distribution date may apply). If a Participant Separates from Service while receiving scheduled installment payments, such installment payments shall continue to be paid in the same form of distribution, subject to the Participant's right to accelerate the remaining payments in accordance with Section 5.1(e).

(e) Hardship Distribution. At any time prior to the time an amount is otherwise payable hereunder, an active Participant may request a distribution of all or a portion of any vested amounts credited to the Participant's Accounts on account of the Participant's financial hardship, subject to the following requirements:

(i) Such distribution shall be made, in the sole discretion of the Committee, if the Participant has incurred an unforeseeable emergency. The Committee shall consider any requests for payment under this Section 5.1(e) in accordance with the standards of interpretation described in Code Section 409A and the regulations and other guidance thereunder.

(ii) For purposes of this Plan, an "unforeseeable emergency" shall be limited to a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's Spouse, the Participant's Beneficiary, or of a Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's Spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether a Participant is faced with an unforeseeable emergency will be determined based on the relevant facts and circumstances of each case and be based on the information supplied by the Participant, in writing, pursuant to the procedure prescribed by the Committee. In addition to the foregoing, distributions under this subsection shall not be allowed for purposes of sending a child to college or the Participant's desire to purchase a home or other residence. In all events, distributions made on account of an unforeseeable emergency are limited to the extent reasonably needed to satisfy the emergency need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution).

(iii) Notwithstanding the foregoing, distribution on account of an unforeseeable emergency under this subsection may not be made to the extent that such emergency is or may be relieved:

(A) through reimbursement or compensation by insurance or otherwise,

(B) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or

(C) by cessation of deferrals under the Plan.

(iv) All distributions under this subsection shall be made in cash as soon as practicable after the Committee has approved the distribution and that the requirements of this subsection have been met.

(v) The minimum permitted hardship distribution shall be $3,000.

Section 5.2 Form of Distribution.

(a) General. Except as otherwise provided in this Article VI, all amounts payable from a Participant's Accounts shall be paid in one of the forms of distribution described in this Section 5.2, as elected by the Participant in a Deferral Election or as modified by the Participant in accordance with Section 5.2(d) below. Notwithstanding the foregoing, a Participant who is eligible to receive Company Non-Elective Credits hereunder shall receive such amounts in the form of a single lump sum distribution in cash; no other forms of distribution are available for receiving such amounts. Any Participant who fails to elect a form of distribution with respect to any deferral amount (or any compensation type) shall be deemed to have elected to receive such amounts in the form of a single lump sum distribution in cash.

(b) Lump Sum Distribution. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid in the form of a single lump sum distribution at the time otherwise required or permitted under the Plan.

(c) Annual Installment Distributions. A Participant may elect, in accordance with such procedures established by the Committee, to have any vested deferral amounts credited to his Accounts paid at the time otherwise required or permitted in the form of annual installments over a 5 or 10-year period commencing at the time otherwise required or permitted under the Plan and paid annually thereafter for the remainder of the installment

period. For these purposes, the amount of each installment payment shall be determined by multiplying the value of the Participant's remaining vested Accounts by a fraction, the numerator of which is one (1) and the denominator of which is the number of calendar years remaining in the installment period.

(d) Change in Form. In any case where a Participant wishes to change a form of distribution from what was previously in effect with respect to any deferred amounts credited to a Participant's Accounts, in addition to the limitations under Section 3.7, the following requirements must be met:

(i) The election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) Except for payments made on account of a Participant's death or financial hardship under Section 5.1(e), the payment with respect to which such election is made (or the first payment, in the case of installment payments) shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;

(iii) Any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and

(iv) The election will not take effect if the payment (or the first payment, in the case of installment payments) would be scheduled to commence after the later of the date the Participant reaches age 70 or the date the Participant retires from active employment.

ARTICLE VI
General Provisions

Section 6.1 Unsecured Promise to Pay.

(a) The Company shall make no provision for the funding of any amounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of Section 404(a)(5) of the Code, or Title I of ERISA, or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations § 1.83-3(e); and the Company shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence, the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury

Regulations § 1.677(a)-1(d) to accumulate funds to pay amounts under this Plan, provided that the assets of such trust(s) shall be required to be used to satisfy the claims of the Company's general creditors in the event of the Company's bankruptcy or insolvency.

Section 6.2 Plan Unfunded.

(a) In the event that the Company (or one of its subsidiaries) shall decide to establish an advance accrual reserve on its books against the future expense of payments hereunder, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Company (or such subsidiary), subject to claims of the Company's (or such subsidiary's) creditors. A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company (or the Participant's employer subsidiary) with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to any amounts credited to Participant Accounts shall have a claim upon the Company (or the Participant's employer subsidiary) only to the extent of the vested balance(s) credited to such Accounts.

Section 6.3 Designation of Beneficiary.

(a) The Participant's Beneficiary under this Plan with respect to amounts credited to the Participant's Accounts hereunder shall be the person designated to receive benefits on account of the Participant's death on a form provided by the Committee.

Section 6.4 Expenses.

(a) All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with the Plan will be paid by the Company.

Section 6.5 Non-Assignability.

(a) Participants, their legal representatives and their Beneficiaries shall have no right to anticipate, alienate, sell, assign, transfer, pledge or encumber their interests in the Plan, nor shall such interests be subject to attachment, garnishment, levy or execution by or on behalf of creditors of the Participants or of their Beneficiaries.

Section 6.6 Employment/Participation Rights.

(a) Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

(b) Nothing in the Plan shall be construed to be evidence of any agreement or understanding, express or implied, that the Company will continue to employ a Participant in any particular position or at any particular rate of remuneration.

(c) No employee shall have a right to be selected as a Participant, or, having been so selected, to be continued as a Participant.

(d) Nothing in this Plan shall affect the right of a recipient to participate in and receive benefits under and in accordance with any pension, profit-sharing, deferred compensation or other benefit plan or program of the Company.

Section 6.7 Severability.

(a) If any particular provision of the Plan shall be found to be illegal or unenforceable for any reason, the illegality or lack of enforceability of such provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or unenforceable provision had not been included.

Section 6.8 No Individual Liability.

(a) It is declared to be the express purpose and intention of the Plan that no liability whatsoever shall attach to or be incurred by the shareholders, officers, or directors of the Company (or any affiliate) or any representative appointed hereunder by the Company (or any affiliate), under or by reason of any of the terms or conditions of the Plan.

Section 6.9 Tax and Other Withholding.

(a) The Company shall have the right to deduct from any payment made under the Plan any amount required by federal, state, local, or foreign law to be withheld with respect to such payment. The Company shall also have the right to withhold from other current salary or wages any amount required by federal, state, local, or foreign law to be withheld with respect to compensation deferred under the Plan at any time prior to payment of such deferred compensation, or if such other current salary or wages are insufficient to satisfy such withholding requirement, to require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other current salary or wages. Additionally, should deferrals under this Plan cause there to be insufficient current salary or wages for purposes of withholding taxes or other amounts required by federal, state, local, or foreign law to be withheld from current salary or wages, the Company shall require the Participant to pay the Company such amount required to be withheld to the extent such requirement cannot be satisfied through withholding on other current salary or wages.

Section 6.10 Applicable Law.

(a) This Plan shall be governed by and construed in accordance with the laws of the State of New Jersey except to the extent governed by applicable federal law.

Section 6.11 Incompetency.

(a) Any person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Committee receives written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his estate has been appointed. If the Committee finds that any person to whom a benefit is payable under the Plan is unable to properly care for his or her affairs, or is a minor, then any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the Spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to have incurred expense for the care of such person otherwise entitled to payment. If a guardian or conservator of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian or conservator provided that proper proof of appointment is furnished in a form and manner suitable to the Committee. Any payment made under the provisions of this Section shall be a complete discharge of liability therefor under the Plan.

Section 6.12 Notice of Address.

(a) Any payment made to a Participant or a designated Beneficiary at the last known post office address of the distributee on file with the Committee, shall constitute a complete acquittance and discharge of any obligations of the Company under this Plan, unless the Committee shall have received prior written notice of any change in the condition or status of the distributee. Neither the Committee, the Company nor any director, officer, or employee of the Company shall have any duty or obligation to search for or ascertain the whereabouts of a Participant or a designated Beneficiary.

ARTICLE VII
Administration

Section 7.1 Committee.

(a) The Plan shall be administered by the Committee. The Committee shall have the exclusive right to interpret the Plan (including questions of construction and interpretation) and the decisions, actions and records of the Committee shall be conclusive and binding upon the Company and all persons having or claiming to have any right or interest in or under the Plan. The Committee may delegate to such officers, employees or departments of the Company, or to service-providers or other persons, such authority, duties, and responsibilities of the Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan.

Section 7.2 Claims Procedure.

(a) Filing of Claim. Any Participant or beneficiary under the Plan may file a written claim for a Plan benefit with the Committee or with a person named by the Committee to receive claims under the Plan.

(b) Notice of Denial of Claim. In the event of a denial or limitation of any benefit or payment due to or requested by any Participant or beneficiary under the Plan ("claimant"), the claimant shall be given a written notification, including electronic communication, containing specific reasons for the denial or limitation of the benefit. The written notification shall contain specific reference to the pertinent Plan provisions on which the denial or limitation of the benefit is based. In addition, it shall contain a description of any other material or information necessary for the claimant to perfect a claim, and an explanation of why such material or information is necessary. The notification shall further provide appropriate information as to the steps to be taken if the claimant wishes to appeal the denial or limitation of benefit and submit a claim for review. This written notification shall be given to a claimant within ninety (90) days after receipt of the claim by the Committee, provided that where special circumstances require an extension of time for processing the decision, it may be postponed on written notice to the claimant (prior to the expiration of the initial ninety (90)-day period) for an additional ninety (90) days, but in no event shall the decision be rendered more than one hundred eighty (180) days after the receipt of such request for review, and such notice shall indicate the special circumstances which make the postponement appropriate.

(c) Right of Review. In the event of a denial or limitation of the claimant's benefit, the claimant or the claimant's duly authorized representative shall be permitted to review pertinent documents free of charge upon request and to submit to the Committee issues and comments in writing. In addition, the claimant or the claimant's duly authorized representative may make a written request for a full and fair review of the claim and its denial by the Committee; provided, however, that such written request must be received by the Committee within sixty (60) days after receipt by the claimant of written notification of the denial or limitation of the claim.

(d) Decision of Review. A decision shall be rendered by the Committee within sixty (60) days after the receipt of the request for review, provided that where special circumstances require an extension of time for processing the decision, it may be postponed on written notice to the claimant (prior to the expiration of the initial sixty (60)-day period) for an additional sixty (60) days, but in no event shall the decision be rendered more than one hundred twenty (120) days after the receipt of such request for review, and such notice shall indicate the special circumstances which make the postponement appropriate. Any decision by the Committee shall be furnished to the claimant in writing and shall set forth the specific reasons for the decision, the specific plan provisions on which the decision is based, a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to his or her claim for benefits, and a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

Section 7.3 Plan to Comply With Code Section 409A.

(a) Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code Section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

ARTICLE VIII
Amendment, Termination and Effective Date

Section 8.1 Amendment of the Plan.

(a) Subject to Section 8.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors. Notwithstanding the foregoing, the Board of Directors hereby grants to the Committee the authority to approve and adopt amendments to the Plan, provided that such amendments will not materially increase the Company's costs related to providing benefits under the Plan or materially affect the benefits of participants in the Plan.

Section 8.2 Termination of the Plan.

(a) Subject to the provisions of Section 8.3, the Plan may be terminated at any time by written action of the Board of Directors.

Section 8.3 No Impairment of Benefits.

(a) Notwithstanding the provisions of Sections 8.1 and 8.2, no amendment to or termination of the Plan shall reduce the amount credited to any Participant's Accounts hereunder.

Section 8.4 Effective Date.

(a) The Plan is effective as of [____], 2022.

* * *

Embecta hereby adopts this Embecta Deferred Compensation Plan, effective as of [____], 2022.

IN WITNESS WHEREOF, this Plan has been executed this [__] day of [____], 2022.

_____
[____]
[_____]

Exhibit 10.7

FORM OF EMBECTA CORP.

DIRECTORS' DEFERRAL PLAN

Effective as of [●, 2022]

On [____], 2022 Becton Dickinson Corporation ("BD") entered into a transaction whereby the public shareholders of BD would be issued stock dividends consisting of the common stock of Embecta Corp. ("Embecta") as of the [____], 2022 separation date, as described in the Form 10 filed by Embecta with the SEC on [____], 2022 (the transaction, the "Separation"). BD and Embecta entered into a Separation and Distribution Agreement, a form of which is attached as Exhibit 2.1 to the Form 10 filed by Embecta on [____], 2022 (the "Separation Agreement") to effect the Separation.

As a result of the Separation, BD and Embecta are no longer members of the same controlled group of corporations.

BD adopted the Becton, Dickinson Company 1996 Directors' Deferral Plan (the "BD Plan"), as amended and restated November 25, 2014, to allow the non-employee members of the Board of Directors of BD to defer a portion of their remuneration (including certain equity-based compensation) otherwise payable to them.

On [____], 2022 (the "Effective Date"), Embecta adopted this Embecta Directors' Deferral Plan (the "Plan") for the benefit of the non-employee members of the Board of Directors of Embecta to (i) accept the liabilities of Participants of the BD Plan spun-off to Embecta as set forth on Exhibit A and (ii) to provide benefits to Participants as set forth herein. The purpose of the Plan is to permit those non-employee members of the Board of Directors of Embecta to defer, pursuant to the provisions of the Plan, a portion of the remuneration otherwise payable to them.

In accordance with the Separation Agreement and immediately after the Separation, BD spun-off a portion of the BD Plan to Embecta designated by BD which represents the assets and liabilities of Participants related to the BD Plan under the Plan as set forth on Exhibit A (the "Transferred Amounts").

All Transferred Amounts will be subject to the terms of the Plan. Specifically, the Plan shall apply as follows:

- Pre-Separation Deferrals. Transferred Amounts related to deferrals made prior to the Separation, and earnings thereon, shall continue to be administered in accordance with the terms of the BD Plan (attached as Exhibit B) and with any elections made thereunder; provided that the BD Plan shall be subject to Amendment 2022-1 attached hereto as Exhibit C.
- Post-Separation Deferrals. The provisions of this Plan shall apply to deferrals made on or following the Separation, and earnings thereon.

ARTICLE I

Definitions

Section 1.1 "Additional Deferral Election" means the election by a Participant under Section 3.2(b) to further defer the date payment otherwise would be made (or begin to be made) from a Participant's Deferred Account.

Section 1.2 "Board" means the Board of Directors of the Company.

Section 1.3 "Change-of-Form Election" means the election by a Participant under Section 3.2(a) to change the form of distribution from any of his or her Deferred Accounts.

Section 1.4 "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

Section 1.5 "Committee" means the Committee on Directors of the Board, or such other committee as may be designated by the Board to be responsible for administering the Plan.

Section 1.6 "Company" means Embecta Corp., and any successor thereto.

Section 1.7 "Deferral Election" means a Deferred Retainer Election, Deferred Fees Election, and/or a form-of-distribution election under Section 3.5.

Section 1.8 "Deferred Account" means the Participant's Deferred Retainer Account and/or Deferred Fees Account.

Section 1.9 "Deferred Fees" means the amount of a Participant's fees (other than the Participant's annual Board retainer fees) that such Participant has elected to defer until a later year pursuant to an election under Section 3.1(a).

Section 1.10 "Deferred Fees Account" means the bookkeeping account established under Section 3.1 on behalf of a Participant, and includes any Interest Return credited thereto pursuant to Section 3.6(a).

Section 1.11 "Deferred Fees Election" means the election by a Participant under Section 3.1 to defer until a later year receipt of some or all of his or her fees (other than annual Board retainer).

Section 1.12 "Deferred Retainer" means the amount of a Participant's annual Board retainer fees that such Participant has elected to defer until a later year pursuant to an election under Section 3.1(a).

Section 1.13 "Deferred Retainer Account" means the bookkeeping account established under Section 3.1 on behalf of a Participant, and includes any Interest Return credited thereto pursuant to Section 3.6(a).

Section 1.14 "Deferred Retainer Election" means the election by a Participant under Section 3.1(a) to defer until a later year receipt of some or all of his or her annual Board retainer.

Section 1.15 "Director" means a member of the Board.

Section 1.16 "Disability" means a Participant's total disability as defined below and determined in a manner consistent with Code Section 409A and the regulations thereunder:

(a) The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(b) A Participant will be deemed to have suffered a Disability if determined to be totally disabled by the Social Security Administration. In addition, the Participant will be deemed to have suffered a Disability if determined to be disabled in accordance with a disability insurance program maintained by the Company, provided that the definition of disability applied under such disability insurance program complies with the requirements of Code Section 409A and the regulations thereunder.

Section 1.17 "Effective Date" means the effective date of the Plan set forth in Section 5.4.

Section 1.18 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

Section 1.19 "Interest Return" means the amounts which are credited from time to time to each Participant's Deferred Retainer Account and/or Deferred Fees Account pursuant to Section 3.3(a).

Section 1.20 "Investment Election" means the Participant's election to have deferred amounts credited with hypothetical earnings credits (or losses) that track the investment performance of the Investment Options in accordance with Article III.

Section 1.21 "Investment Options" means those hypothetical targeted investment options designated by the Committee as measurements of the rate of return to be credited to (or charged against) amounts deferred to Participants' accounts.

Section 1.22 "Participant" means an individual who is eligible to participate in this Plan in accordance with Article II.

Section 1.23 "Payment Date" means the last day of January, April, July or October of each calendar year on which the Directors are paid their compensation for the immediately preceding three (3) month period.

Section 1.24 "Plan" means the Embecta Corp. Directors' Deferral Plan as from time to time in effect.

Section 1.25 "Separation from Service" means a termination or other separation from service with the Board determined in a manner consistent with Code Section 409A and the regulations thereunder.

ARTICLE II

Participation

Section 2.1 Participation.

(a) Participation in the Plan shall be limited to an individual who, as at the Effective Date of the Plan and/or any subsequent first day of any calendar quarter, is a Director.

(b) The Committee may, consistent with Company policy:

(i) designate as ineligible particular individuals or groups of individuals who otherwise would be eligible under Section 2.1(a); or

(ii) designate as eligible particular individuals or groups of individuals who otherwise would be ineligible under Section 2.1(a).

ARTICLE III

Deferral Elections, Accounts and Distributions

Section 3.1 Deferred Retainer Elections and Deferred Fees Elections.

(a) With respect to an individual who is eligible to participate in this Plan in accordance with Section 2.1, elections of Deferred Retainer and/or Deferred Fees shall be made in writing on forms to be furnished by the Committee. A Deferred Retainer Election and/or a Deferred Fees Election shall apply only to the Director's annual retainer or fees, as the case may be, for the particular calendar year specified in the election. A Participant may elect to defer from 1% of his or her annual retainer to 100% of that retainer (in increments of 1%) and/or from 1% to 100% of his or her other fees (in increments of 1%).

(b) A Deferred Retainer Election and/or Deferred Fees Election with respect to payments for a particular calendar year under this Plan (i) must be made during the time period specified by the Committee, but in no event later than the December 31 immediately preceding that calendar year and (ii) once made, cannot be changed or revoked after the final deadline established by the Committee for making the election. Notwithstanding the prior sentence, in the case of a newly-elected Director who first becomes eligible to participate in the Plan during the calendar year (and is not otherwise eligible for participation in a non-qualified deferred compensation plan required to be aggregated with this Plan under Code Section 409A), the initial Deferred Retainer Election and/or Deferred Fees Election may be made within thirty (30) days following the date the Director is otherwise eligible to participate in the Plan, and shall be effective only with respect to amounts earned after the date of the Deferred Retainer Election and/or Deferred Fees Election. All such Deferred Retainer amounts shall be credited to the Participant's Deferred Retainer Account (or, if none, to a new such account established in the Participant's name) and all such Deferred Fees shall be credited to the Participant's Deferred Fees Account (or, if none, to a new such account established in the Participant's name) as of each quarterly Payment Date.

(c) A Participant who makes a Deferred Retainer Election or a Deferred Fees Election may defer the payment of any retainer and/or fees, and any Interest Return credited thereon pursuant to Section 3.3(a), until (i) the Participant's Separation from Service for any reason or (ii) a fixed date which is no earlier than three full calendar years after the calendar year during which the Deferred Retainer or Deferred Fees otherwise were payable and no later than ten years after the earliest date specified in (i), provided, however, that all distributions under Section 3.4(b) must be paid in full no later than ten years after the Participant's Separation from Service for any reason.

(d) In the event of any such Deferred Retainer Election or Deferred Fees Election, the form of payment of any distribution (i.e., in a lump sum or in five or ten annual installments) and the starting date of such distribution (i.e., as soon as practicable following the event causing the distribution or January 31st of the calendar year immediately following such event) shall be elected at the same time. In the event that any distribution is elected to be paid in five or ten annual installments, the Participant also may elect, at the time of the Deferred Retainer Election and/or Deferred Fees Election, to have the form of distribution, automatically and without any further action on his or her part, converted to a lump sum payment in accordance with Section 3.4(b) in the event of such Participant's death or Disability occurring prior to the expiration of the complete period of deferral. Except as herein provided, such form-of-payment election shall not be changed or revoked.

Section 3.2 Change-of-Form Elections and Additional Deferral Elections.

(a) Change-of-Form Elections. Any Participant, who has made a Deferral Election, may make an additional election to change the form of distribution of the balance in any of his or her Deferred Accounts to one of the three acceptable forms of distributions under Section 3.4(d). Only one Change-of-Form Election may be made by any Participant with respect to the balance in any Deferred Account attributable to any individual Deferred Election during any three (3) calendar years; provided, however, that no such Change-in-Form Election will be effective with respect to any balance in any Participant's Deferred Account, unless made in connection with the establishment of the Deferred Account, until such balance has been in such Deferred Account for at least two (2) calendar years. Notwithstanding the foregoing, any Change-of-Form Election shall not be effective unless the following requirements are met:

(i) the Change-of-Form Election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) except for payments made on account of a Participant's death or unforeseen emergency under Section 3.4(e), the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;

(iii) any Change-of-Form Election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and

(iv) all distributions under Section 3.4(d) must be paid in full no later than ten years after the Participant's Separation from Service for any reason.

In all events, no election under this (a) shall be valid unless the election meets the requirements of subsection 3.2(a)(iv), even if such election complies with subsections 3.2(a)(i) through 3.2(a)(iii).

(b) Additional Deferral Elections (Change-of-Time). Any Participant who has made a Deferred Retainer Election or Deferred Fees Election may make an additional election to further postpone the initial starting date for distributions of the balance in his or her Deferred Retainer Account or Deferred Fees Account to a date no earlier than five full calendar years thereafter and no later than the latest date that would have been permitted under Section 3.1(d) for the initial Deferral Election; provided, however, that only one such Additional Deferral Election may be made with respect to the balance in any Deferred Account attributable to any individual Deferral Election. In addition, any election made under this Section 3.2(b) with respect to any deferred amounts shall not be effective unless the following requirements are met:

(i) the election will not take effect until at least twelve months after the date on which the election is made and will not be recognized with respect to payments that would otherwise have commenced during such twelve-month period;

(ii) except for payments made on account of a Participant's death or unforeseen emergency under Section 3.4(d), the first payment with respect to which such election is made shall be deferred for a period of not less than five years from the date such payment would otherwise have been made;

(iii) any election related to payments that would otherwise have commenced as of a specified time, as opposed to the Participant's Separation from Service, may not be made less than twelve months prior to the date on which such payments would otherwise have commenced; and

(iv) all distributions under Section 3.4(c) must be paid in full no later than ten years after the Participant's Separation from Service for any reason.

In all events, no election under this Section 3.2(b) shall be valid unless the election meets the requirements of Section 3.2(b)(iv), even if such election complies with Sections 3.2(b)(i) through 3.2(b)(iii).

Section 3.3 Investment Return on Deferred Accounts.

(a) If a Participant does not make an Investment Election as provided below, the Committee shall credit the balance of each Participant's Deferred Retainer Account and Deferred Fees Account during the calendar year with an Interest Return equal to interest thereon. Such balances shall include all Interest Returns previously credited to the account. The Interest Return to be credited for each calendar year shall be calculated by multiplying the average daily balance in each such Deferred Account by the Moody's Seasoned Aaa Corporate Bond Rate in effect on the first business day of September of the previous calendar year[1], as published in the weekly Federal Reserve Statistical Release (Publication H.15). Notwithstanding the foregoing, at the time the Participant makes a Deferral Election or a form of distribution election, the Participant may make an Investment Election and select Investment Options with respect to the amounts credited to those accounts. If a Participant makes an Investment Election, additional hypothetical bookkeeping amounts shall be credited to (or deducted from) the Participant's Deferred Retainer Account or Deferred Fees Account to reflect the earnings (or losses) that would have been experienced had the deferred amounts been invested in the Investment Options selected by the Participant as targeted rates of return, net of all fees and expenses otherwise associated with the Investment Options. The Committee may add or delete Investment Options, on a prospective basis, by notifying all Participants whose accounts are hypothetically invested in such Investment Options, in advance, and soliciting elections to transfer deferred amounts so that they track investments in other Investment Options then available. Investment Elections will continue in effect until changed by the Participant. A Participant may change a prior Investment Election on a daily basis and in such manner as approved by the Committee.

(b) Within 60 days following the end of each calendar year, the Committee shall furnish each Participant with a statement of account which shall set forth the balance in each of the individual's Deferred Accounts as of the end of such calendar year, inclusive of cumulative Interest Return.

Section 3.4 Distributions.

(a) Upon occurrence of an event specified in the Participant's Deferral Election, as modified by any Change-of-Form Election, the amount of a Participant's Deferred Retainer Account and/or Deferred Fees Account shall be paid in cash, in each case to the Participant or his or her beneficiary, as applicable. Such payment(s) shall be from the general assets of the Company in accordance with Section 3.5.

(b) Deferred amounts shall be distributed (or begin to be distributed) as soon as practicable following the occurrence of the event making distribution necessary, or, if later, by the fifteenth day of the third calendar month following the date such event occurs, as determined solely by the Committee.

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1 Note to Draft: This is from BD Plan. Consider whether a different rate of return will be used.

(c) Unless other arrangements are specified by the Committee (in accordance with Code Section 409A), deferred amounts shall be paid in the form of (i) a lump sum payment, (ii) in five annual installments or (iii) in ten annual installments, as elected by the Participant at the time of his or her Deferral Election and as modified by any applicable subsequent Change-of-Form Election. Such payments shall be made (or begin to be made) as soon as practicable following the occurrence of the event making payment necessary or, if later, by the fifteenth day of the third calendar month following the date such event occurs, as determined solely by the Committee. Alternatively, the Participant may elect in the Deferral Election to receive payment on the January 31st of the calendar year immediately following such event.

(d) Unforeseeable Emergency.

(i) In case of an unforeseeable emergency, a Participant may make a request to the Committee, on a form to be provided by the Committee, that payment be made earlier than the date to which it was deferred.

(ii) For purposes of this Section 3.4(d), in connection with any distribution date acceleration on account of an unforeseeable emergency, an "unforeseeable emergency" shall be limited to a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or of a Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)), loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Examples of events that may constitute an unforeseeable emergency include the imminent foreclosure of or eviction from the Participant's primary residence; the need to pay for medical expenses, including non-refundable deductibles, as well as for the costs of prescription drug medication; and the need to pay for the funeral expenses of the Participant's spouse, the Participant's beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Sections 152(b)(1), (b)(2), and (d)(1)(B)). Whether a Participant is faced with an unforeseeable emergency will be determined based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of an unforeseeable emergency may not be made to the extent that such emergency is or may be relieved: (i) through reimbursement or compensation by available insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (iii) by cessation of deferrals under the Plan.

(iii) The amount available for distribution on account of an unforeseeable emergency shall be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution), and shall be determined in accordance with Code Section 409A and the regulations thereunder.

(iv) The Committee shall consider any requests for payment under this Section 3.4(d) in accordance with the standards of interpretation described in Code Section 409A and the regulations and other guidance thereunder.

(e) The Company shall deduct from all payments under the Plan federal, State and local income and employment taxes, as required by applicable law.

Section 3.5 General Provisions.

(a) The Company shall make no provision for the funding of any Deferred Accounts payable hereunder that (i) would cause the Plan to be a funded plan for purposes of section 404(a)(5) of the Code or (ii) would cause the Plan to be other than an "unfunded and unsecured promise to pay money or other property in the future" under Treasury Regulations § 1.83-3(e); and the Company shall have no obligation to make any arrangement for the accumulation of funds to pay any amounts under this Plan. Subject to the restrictions of the preceding sentence, the Company, in its sole discretion, may establish one or more grantor trusts described in Treasury Regulations § 1.677(a)-1(d) to accumulate funds to pay amounts under this Plan, provided that the assets of such trust(s) shall be required to be used to satisfy the claims of the Company's general creditors in the event of the Company's bankruptcy or insolvency.

(b) In the event that the Company shall decide to establish an advance accrual reserve on its books against the future expense of payments from any Deferred Account, such reserve shall not under any circumstances be deemed to be an asset of this Plan but, at all times, shall remain a part of the general assets of the Company, subject to claims of the Company's creditors.

(c) A person entitled to any amount under this Plan shall be a general unsecured creditor of the Company with respect to such amount. Furthermore, a person entitled to a payment or distribution with respect to a Deferred Account, shall have a claim upon the Company only to the extent of the balance(s) in his or her Deferred Accounts.

(d) The Participant's beneficiary under this Plan with respect to the balance(s) in his or her Deferred Accounts shall be the person designated to receive benefits on account of the Participant's death on a form provided by the Committee.

(e) All commissions, fees and expenses that may be incurred in operating the Plan and any related trust(s) established in accordance with Section 3.5(a) will be paid by the Company.

(f) Notwithstanding any other provision of this Plan, subject to the requirements of Code Section 409A and the regulations and other guidance issued thereunder, elections under this Plan may only be made by Participants while they are directors of the Company.

Section 3.6 Non-Assignability. Participants, their legal representatives and their beneficiaries shall have no right to anticipate, alienate, sell, assign, transfer, pledge or encumber their interests in the Plan, nor shall such interests be subject to attachment, garnishment, levy or execution by or on behalf of creditors of the Participants or of their beneficiaries.

ARTICLE IV

Administration

Section 4.1 Plan Administrator.

(a) Subject to the express provisions of the Plan, the Committee shall have the exclusive right to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations necessary or advisable for the administration of the Plan. The decisions, actions and records of the Committee shall be conclusive and binding upon the Company and all persons having or claiming to have any right or interest in or under the Plan.

(b) The Committee may delegate to such officers, employees or departments of the Company such authority, duties, and responsibilities of the Committee as it, in its sole discretion, considers necessary or appropriate for the proper and efficient operation of the Plan, including, without limitation, (i) interpretation of the Plan, (ii) approval and payment of claims, and (iii) establishment of procedures for administration of the Plan.

Section 4.2 Plan to Comply with Code Section 409A. Notwithstanding any provision to the contrary in this Plan, each provision in this Plan shall be interpreted to permit the deferral of compensation in accordance with Code Section 409A and any provision that would conflict with such requirements shall not be valid or enforceable.

ARTICLE V

Amendment, Termination and Effective Date

Section 5.1 Amendment of Plan. Subject to the provisions of Section 5.3, the Plan may be wholly or partially amended or otherwise modified at any time by written action of the Board of Directors; provided, however, that in no event shall any amendment or modification be made in a manner that is inconsistent with the requirements under Code Section 409A.

Section 5.2 Termination of Plan. Subject to the provisions of Section 5.3, the Plan may be terminated at any time by written action of the Board of Directors; provided, however, that in no event shall any termination be made in a manner that is inconsistent with the requirements under Code Section 409A.

Section 5.3 No Impairment of Benefits. Notwithstanding the provisions of Sections 5.1 and 5.2, no amendment to or termination of the Plan shall impair any rights to benefits which have accrued hereunder.

Section 5.4 Effective Date. The Plan is effective as of [●, 2022], and has been amended from time to time thereafter.

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

FORM OF CANNULA SUPPLY AGREEMENT

This CANNULA SUPPLY AGREEMENT (together with the Exhibits hereto, this "Agreement"), is made and entered into as of [•] (the "Effective Date"), by and between BECTON, DICKINSON AND COMPANY, a corporation organized under the laws of New Jersey, with a place of business at 1 Becton Drive, Franklin Lakes, New Jersey 07417 ("Parent"), and EMBECTA CORP., a corporation organized under the laws of Delaware, with a place of business at 1 Becton Drive, Franklin Lakes, New Jersey 07417 ("SpinCo") (each of Parent and SpinCo individually referred to as a "Party" and collectively referred to as the "Parties").

WHEREAS, Parent is one of the leading suppliers of cannula, which are utilized in various medical devices, including for hypodermics and pen needles for use in the diabetes care sector;

WHEREAS, Parent and SpinCo entered into that certain Separation and Distribution Agreement, dated as of [•] (the "Separation and Distribution Agreement"); and

WHEREAS, subject to the Separation and the Distribution Agreement, Parent and SpinCo are entering into this Agreement, pursuant to which SpinCo will purchase from Parent, and Parent will sell to SpinCo, cannulas solely for integration into certain medical devices to be produced and sold by SpinCo for use for the Permitted Purposes (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows.

ARTICLE 1
DEFINITIONS

Each of the capitalized terms in this Agreement (other than the section headings), whether used in singular or plural, shall have the respective meaning as set forth below or, if not listed below, the meaning as designated in other places throughout this Agreement.

1.1 "2022 Base Forecast" means Parent's forecast of Product SKU orders for use for the Permitted Purposes (excluding clause (b) thereof) for the twelve (12)-month period starting on October 1, 2021 and ending on September 30, 2022, which is attached hereto as Exhibit J.

1.2 "2022 Base Forecast Amount" means, with respect to any Product Group or Product SKU, the total units of such Product Group or Product SKU forecast, as the case may be, to be ordered for use for the Permitted Purposes (excluding clause (b) thereof) in the 2022 Base Forecast.

1.3 "Absorption" has the meaning set forth on Exhibit L to this Agreement.

1.4 "Absorption Variance" has the meaning set forth on Exhibit L to this Agreement.

1.5 "Accounting Principles" means those principles set forth on Exhibit G to this Agreement.

1.6 "Affiliate" has the meaning set forth in the Separation and Distribution Agreement.

1.7 "Allowable Purchase Cap" means, subject to Section 6.4(d):

(a) beginning in Year 1 and for each Fiscal Year thereafter until the Yearly Base Forecast for a Fiscal Year is at least [* * *] billion units less than the Applicable Purchase Cap for the previous Fiscal Year: [* * *] billion units of Product, subject to increase under Section 4.7 (the "Maximum Allowable Purchase Cap"), such Allowable Purchase Cap to be apportioned by Product Group based on the proportion of the 2022 Base Forecast Amount for the applicable Product Group to the total 2022 Base Forecast Amount for all Product Groups unless otherwise mutually agreed by the Parties pursuant to Section 4.7; and

(b) beginning in the Fiscal Year in which the Yearly Base Forecast for such Year is at least [* * *] billion units less than the Allowable Purchase Cap for the previous Fiscal Year and for each subsequent Fiscal Year during the Term: 110% of the greater of the Yearly Base Forecast from the immediately prior Fiscal Year or the Yearly Base Forecast from the year immediately prior to such prior Fiscal Year, divided by Product Group based on the proportion of the applicable Yearly Base Forecast Amount for the applicable Product Group to the total Yearly Base Forecast Amount for the applicable Fiscal Year for all Product Groups; *provided* that, with respect to this clause (b), in no Fiscal Year shall the Allowable Purchase Cap for any Product Group be higher than the Allowable Purchase Cap for such Product Group in any prior Fiscal Year (*i.e.*, the Allowable Purchase Cap for each Product Group may decrease but may never increase).

1.8 "Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement.

1.9 "Calendar Quarter" means each three (3)-Month period starting on January 1st, April 1st, July 1st or October 1st.

1.10 "Cartridge" means (1) any cartridge used by Parent to package the Products for shipment to SpinCo under this Agreement or (2) any cartridge supplied by Parent to SpinCo for use at a SpinCo facility to transfer third party-sourced cannula from the third party shipping container in accordance with the IP Matters Agreement.

1.11 "Change of Control" means, with respect to a Party, (a) a merger or consolidation of such Party with a Third Party, but only if the voting securities of such Party outstanding immediately prior thereto (or, if such voting securities are converted or exchanged in such merger or consolidation, any securities into which such voting securities have been converted or exchanged) neither represents (x) at least fifty percent (50%) of the combined voting power of the surviving entity of such merger or consolidation nor (y) at least fifty percent (50%) of the ultimate parent of such surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the beneficial owner of fifty percent (50%) or more of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a Third Party, directly or indirectly, of all or substantially all of such Party's assets or business to which the subject matter of this Agreement relates.

1.12 "Third Party" has the meaning set forth in the Separation and Distribution Agreement.

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

1.13 “Fiscal Year” means each twelve (12)-Month period between October 1st and September 30th, *provided* that (a) the first “Fiscal Year” of the Term will commence on the Effective Date and end on the first occurrence of September 30th thereafter and (b) the final “Fiscal Year” of the Term will end on the termination of this Agreement. As used in this Agreement, “Year 1” shall mean the first Fiscal Year of the Term, “Year 2” shall mean the second Fiscal Year of the Term, and so forth.

1.14 “IP Matters Agreement” has the meaning set forth in the Separation and Distribution Agreement.

1.15 “Joint Operations Group” has the meaning set forth in Section 6.3.

1.16 “Laws” has the meaning set forth in the Separation and Distribution Agreement..

1.17 “Lost Mark-up” has the meaning set forth on Exhibit L to this Agreement.

1.18 “Major Supply Failure” means, on a Product SKU-by-Product SKU basis, with respect to a Product SKU, a failure of Parent, for any reason, including a Force Majeure, (a) to deliver during any three (3) successive Months during the Term of this Agreement, fifty percent (50%) of the aggregate quantity of such Product SKU ordered by SpinCo for delivery in accordance with this Agreement during such three (3)-Month period, or (b) to deliver during any six (6) successive Months during the Term of this Agreement, seventy-five percent (75%) of the aggregate quantity of such Product SKU ordered by SpinCo for delivery in accordance with this Agreement during such six (6)-Month period, but, in either case ((a) or (b)), notwithstanding anything to the contrary in this Agreement, excluding any such failure caused by the negligent acts or omissions of SpinCo or breach of this Agreement by SpinCo.

1.19 “Major Supply Failure Termination Event” means, on a Product SKU-by-Product SKU basis, that either (a) Parent is unable to supply at least twenty percent (20%) of the units of the applicable Product SKU forecast to be ordered by SpinCo in its Updated Forecast in the period that is twelve (12) months following commencement of the Major Supply Failure or (b) Parent is unable to supply one hundred percent (100%) of the units of the applicable Product SKU forecast to be ordered by SpinCo in its Updated Forecast in the period that is eighteen (18) months following commencement of the Major Supply Failure.

1.20 “Manufacturing Line IP” has the meaning set forth in the IP Matters Agreement.

1.21 “Mark-Up” has the meaning set forth on Exhibit L to this Agreement.

1.22 “Materials” means Raw Materials and any coatings, lubrications or other materials used in Parent’s manufacturing of the Products.

1.23 “Maximum Monthly Purchase” means, with respect to a given Fiscal Year and a Product Group, a quantity of units of such Product Group equal to the Yearly Maximum Purchase for such Product Group in such Fiscal Year, divided by twelve (12).

1.24 “Month” means a calendar month; *provided* that the first Month shall commence on the Effective Date and shall end on the last day of the first full calendar month of the Term and the last Month shall end on the last day of the Term.

1.25 “Monthly Delivery Date” means, with respect to a Month, (a) for Parent’s facility in Columbus, Nebraska, the last Monday of such Month, and (b) for Parent’s facility in Tuas, Singapore, the last business day of such Month.

1.26 “Non-Conforming Use” means the sale, distribution, application or use of any Product: (a) without incorporation into a SpinCo Product (*e.g.*, the resale of standalone units of such Product); (b) with any device, product or system that is not a SpinCo Product; (c) for any purpose other than the manufacture of SpinCo Products for use for the Permitted Purposes; or (d) in any other application or use that is inconsistent with (i) this Agreement, (ii) the intended use of such Product as specified in the Specifications or (iii) the instructions (including handling instructions), if any, for such Product provided in writing by Parent to SpinCo.

1.27 “Permitted Purpose” means: (a) use in the diabetes care sector; (b) sales to Parent for any purpose; (c) use in Public Health Programs at an amount substantially similar to the amount provided for such purpose by Parent immediately prior to the Effective Date; or (d) sales of pen needles and less-than-one-(1)-mL syringes, in each case solely pursuant to relationships between SpinCo and the applicable third parties in effect as of the date hereof, including pursuant to the contracts set forth on Exhibit M; *provided* that any such sales pursuant to this clause (d) shall not exceed $7.5 million in the aggregate in any fiscal year without the consent of Parent.

1.28 “Person” has the meaning set forth in the Separation and Distribution Agreement.

1.29 “Product” means any and all Product SKUs.

1.30 “Product Group” means any and each of the following groups of Products: (a) syringe cannulas; (b) three (3)-bevel pen needles; (c) five (5)-bevel thin-walled pen needles; and (d) five (5)-bevel extra-thin-walled pen needles.

1.31 “Product Price” means, with respect to a Product SKU, the price per unit of such Product SKU at the applicable time as set forth in Section 3.1.

1.32 “Product SKU” means each individual cannula type listed on Exhibit A hereto, and more fully described in the Specifications for such cannula type.

1.33 “Public Health Programs” means government, non-profit and other public health programs designed to provide safe sharps products (e.g., syringes), including SpinCo Products, for users of such products who have limited access to sterile and safe sharps products.

1.34 “Raw Materials” means stainless steel, including any additives, in such applicable grades as used to manufacture the Products.

1.35 “Representatives” mean the employees, directors, officers, consultants, agents, representatives and advisors (including attorneys and accountants) of a Person.

1.36 “Specifications” means, with respect to each Product SKU, those specifications for such Product SKU attached as Exhibit B to this Agreement, as the same may be modified or supplemented from time to time as contemplated by Section 8.5.

1.37 "SpinCo Product" means any product that (a) is listed on Exhibit C hereto, (b) is developed, manufactured, marketed, offered for sale and/or sold by or on behalf of SpinCo for use for the Permitted Purposes, and (c) incorporates either (i) any Product or (ii) a third party supplier's cannula if, with respect to this clause (ii), the product is made using Manufacturing Line IP.

1.38 "Supply Failure" means, on a Product SKU-by-Product SKU basis, with respect to a Product SKU, (a) a Major Supply Failure or (b) a failure of Parent, for any reason, including a Force Majeure, to deliver those units of such Product SKU ordered by SpinCo that are required to be delivered by Parent in accordance with this Agreement (including Section 4.3 and Section 5.2), for more than thirty (30) days past the applicable Monthly Delivery Date, but, notwithstanding anything to the contrary in this Agreement, excluding any such failure caused by the negligent acts or omissions of SpinCo or breach of this Agreement by SpinCo.

1.39 "Termination Period" means the period of thirty-six (36) months immediately preceding the effective date of any termination pursuant to Section 13.2 or Section 13.3.

1.40 "Termination Year" means each of the three (3) twelve (12)-month periods during the Termination Period.

1.41 "Visit CDA" means the Confidential Disclosure Agreement for Facility Visits, the form of which has been agreed by the Parties and is attached hereto as Exhibit F, which form shall be executed and delivered by SpinCo prior to any inspection or audit of Parent's facilities as contemplated under this Agreement.

1.42 "Yearly Base Forecast Amount" means, with respect to any Product Group or Product SKU in any Fiscal Year, the total units of such Product Group or Product SKU, as the case may be, set forth in the Yearly Base Forecast for such Fiscal Year.

1.43 Additional Defined Terms. In addition to the terms defined above in this ARTICLE 1, the following terms have the respective meanings assigned thereto in the sections indicated below:

Defined Term	Section
"Additional Equipment"	Section 3.5
"Agreement"	Preamble
"Capital Expenditures"	Section 3.5
"Confidential Information"	Section 9.1
"Debarred"	Section 8.6
"Disclosing Party"	Section 9.1
"Disqualified"	Section 8.6
"Effective Date"	Preamble
"Excluded"	Section 8.6
"Export Control Laws"	Section 10.6(a)
"Field Action"	Section 8.7
"Force Majeure"	Article I of the Separation and Distribution Agreement

“Indemnitiee”	Article I of the Separation and Distribution Agreement
“Indemnifiying Party”	Article I of the Separation and Distribution Agreement
“Ineligible”	Section 8.6
“Maximum Allowable Purchase Cap”	Section 1.7(a)
“Joint Operations Group”	Section 6.3
“Latent Nonconformance”	Section 7.2
“Liability Cap”	Section 12.5
“Minimum Purchase Commitment”	Section 2.2(a)
“Nonconformance”	Section 7.2
“Party” and “Parties”	Preamble
“Personnel”	Section 8.6
“Potential Additional SpinCo Product”	Section 2.5
“Pricing Date”	Section 3.1(b)
“Purchase Order”	Section 4.2
“Receiving Party”	Section 9.1
“Parent”	Preamble
“Parent Indemnitiees”	Article I of the Separation and Distribution Agreement
“Parent Safety Stock”	Section 6.1
“Rolling Forecast”	Section ARTICLE 4
“Safety Laws”	Section 10.2
“Safety Products”	Section 10.2
“Separation and Distribution Agreement”	Recitals
“SpinCo”	Preamble
“SpinCo Idemnitees”	Section 11.1
“SpinCo Safety Stock”	Section 6.2
“Term”	Section 13.1
“Termination Base Year”	Section 4.6(b)(i)
“Termination Purchase Commitment”	Section 2.2(b)
“Third-Party Claim”	Section 4.5(a) of the Separation and Distribution Agreement
“Transferring”	Section 10.6(a)
“Updated Forecast”	Section 6.4(d)(iii)
“U.S. Laws”	Section 10.6
“Unauthorized Access”	Section 9.11
“Year 1” “Year 2” “Year 3”	Section 0
“Yearly Base Forecast”	Section 3.1(b)
“Yearly Maximum Purchase”	Section 4.6

ARTICLE 2
PURCHASE AND SALE; MINIMUM PURCHASE COMMITMENTS

2.1 Purchase and Sale of Product. During the Term, SpinCo agrees to purchase certain quantities of Product from Parent in compliance with the Purchase Commitments, and Parent agrees to sell such quantities to SpinCo, in each case, subject to the terms and conditions of this Agreement. SpinCo agrees that the Product will be used solely for incorporation into SpinCo Products for use for the Permitted Purposes, and for no other purpose (including any Non-Conforming Use).

2.2 Minimum Yearly Purchase Commitment.

(a) Subject to Section 2.2(b), each Yearly Base Forecast submitted by SpinCo pursuant to Section 3.1(b) shall include at least such units of each Product SKU as follows (each, a "Purchase Commitment"):

(i) subject to Section 2.2(a)(ii), during each of Year 1, Year 2, Year 3, Year 4 and Year 5, such quantity of each Product SKU as is equal to the 2022 Base Forecast Amount with respect to such Product SKU; *provided* that, for the Purchase Commitment for Year 1, the units of each Product SKU utilized by Parent's diabetes care unit between October 1, 2021 and the Effective Date and set forth in Schedule 2.2(a)(i) shall count towards such Purchase Commitment; and

(ii) during Year 6, all subsequent Fiscal Years during the Term, and any period subject to an Updated Forecast that modified a Yearly Base Forecast under Section 6.4(d)(iii), [* * *] billion units of Product, apportioned among the Product SKUs in accordance with the proportion of each Product SKU ordered by SpinCo in the prior Fiscal Year.

For clarity, SpinCo's obligations to satisfy the Purchase Commitments for any Fiscal Year or Termination Year shall be without limitation of SpinCo's obligations to comply with its Yearly Base Forecasts under Section 3.1, ARTICLE 4 and Section 4.8.

(b) If, at any time during the Term, SpinCo submits a Yearly Base Forecast that is inconsistent with the applicable Purchase Commitment, then:

(i) if such Yearly Base Forecast is submitted for Year 2, Year 3, Year 4 or Year 5, then the provisions of Section 4.8(a) will apply; and

(ii) if such Yearly Base Forecast is submitted for Year 6 or any subsequent Fiscal Year during the Term, then the provisions of Section 13.2 will apply.

(c) Notwithstanding the foregoing, if this Agreement is terminated (a) by either Party for convenience under Section 13.3 or (b) automatically for SpinCo's failure to submit a Rolling Forecast satisfying the applicable Purchase Commitment under Section 13.2, then, without limiting any of SpinCo's obligations to purchase Product consistent with its Yearly Base Forecast and Rolling Forecasts in accordance with Section ARTICLE 4 and Section 4.8, SpinCo shall have the following minimum purchase obligations during the Termination Period (each, a "Termination Purchase Commitment") in lieu of the Purchase Commitments set forth above in Section 2.2(a):

(i) during the first Termination Year, SpinCo shall purchase at least such units of each Product SKU as are equal to 75% of the otherwise applicable Purchase Commitment for such Product SKU;

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

(ii) during the second Termination Year, SpinCo shall purchase at least such units of each Product SKU as are equal to 50% of the otherwise applicable Purchase Commitment for such Product SKU; and

(iii) during the final Termination Year, SpinCo shall purchase at least such units of each Product SKU as are equal to 25% of the otherwise applicable Purchase Commitment for such Product SKU.

For the avoidance of doubt, if any such Termination Year straddles Year 5 and Year 6, the Termination Purchase Commitment with respect to such Termination Year shall be calculated based on the portion of such Termination Year corresponding to each such Fiscal Year and pro-rating the Purchase Commitment applicable to each such portion.

2.3 Alternative Suppliers. For the avoidance of doubt, SpinCo may contract with other suppliers at any time after the Effective Date to manufacture and supply any cannula that is either listed or not listed on Exhibit A for use in any industry, subject to SpinCo's compliance with the Purchase Commitments or, as applicable, the Termination Purchase Commitments and the IP Matters Agreement.

2.4 Additional Products. If SpinCo desires for Parent to manufacture and supply any cannula for use for any Permitted Purpose and such cannula is not then listed on Exhibit A, SpinCo shall provide written notice thereof to Parent. Parent may, in its sole discretion, consent to manufacture and supply such cannula, in which case the Parties shall add such cannula to Exhibit A as a new Product SKU (and such Product SKU will be placed into the appropriate Product Group (including an additional Product Group)); *provided*, *however*, that, with respect to the cannula set forth on Exhibit K in development by Parent prior to the Effective Date, Parent shall consent to manufacture and supply such cannula, on mutually agreeable terms including pricing terms in accordance with the Accounting Principles. In the event that Parent consents to manufacture and supply any new Product SKU, the Parties will negotiate in good faith the price and other terms and conditions applicable to such manufacture and supply under this Agreement. For the avoidance of doubt, (a) Parent will have no obligation to manufacture and supply to SpinCo any such new Product SKU unless and until the Parties have updated Exhibit A to include such new Product SKU and have agreed on all terms and conditions applicable to the manufacture and supply of such new Product SKU under this Agreement and (b) due to the non-exclusive arrangement of this Agreement and subject to SpinCo's Purchase Commitments or, as applicable, the Termination Purchase Commitment, SpinCo shall have no obligation to request that Parent manufacture and supply any cannula for use for the Permitted Purposes (or otherwise), which cannula is not then listed on Exhibit A.

2.5 Additional SpinCo Products. If SpinCo desires to incorporate Product into an end product developed, manufactured, marketed, offered for sale and/or sold by SpinCo or its Affiliates for use for any Permitted Purpose, but that is not then listed on Exhibit C (a "Potential Additional SpinCo Product"), SpinCo shall provide written notice thereof to Parent within a reasonable amount of time (but no less than ninety (90) days) prior to the date that SpinCo intends to commence incorporating such Product into the applicable Potential Additional SpinCo Product. Unless Parent is restricted, by applicable Laws or existing contractual obligations, from supplying Product to SpinCo for incorporation into such Potential Additional SpinCo Product, such Potential Additional SpinCo Product shall become a SpinCo Product and the Parties shall update Exhibit C to include such new SpinCo Product.

2.6 Discontinued Product. Parent will not discontinue the manufacture and supply of any Product SKU without SpinCo's prior written consent. Following SpinCo's consent, if applicable, the Parties shall update Exhibit A to remove such Product SKU, and SpinCo shall no longer have the right to place Purchase Orders with respect to such Product SKU.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price.

(a) With respect to Year 1, for each Product SKU purchased by SpinCo from Parent, SpinCo shall pay to Parent the price for such Product SKU as set forth in Exhibit D attached hereto, subject to any applicable adjustments set forth in this ARTICLE 3.

(b) With respect to each Fiscal Year during the Term following Year 1, on or before May 31 of the prior Fiscal Year, SpinCo shall submit to Parent an initial forecast of orders by Product SKU for such Fiscal Year, which must be consistent, with respect to all applicable Months, to the Rolling Forecast last submitted by SpinCo (subject to the permitted variances under Section ARTICLE 4) and shall be deemed to be the Rolling Forecast for the period starting on October 1 of such Fiscal Year and ending on September 30 of such Fiscal Year (each such forecast and, with respect to Year 1, the 2022 Base Forecast, a "Yearly Base Forecast"). Parent shall thereafter update the price list set forth on Exhibit D to reflect any changes to the pricing for each Product SKU based on the Yearly Base Forecast for such Fiscal Year and the Accounting Principles, and shall submit such updated price list to SpinCo, with reasonably detailed documentation supporting any changes, no later than June 30 of the Fiscal Year in which such Yearly Base Forecast was submitted (the "Pricing Date"). Such updated price list shall be deemed to be attached to this Agreement as Exhibit D, and shall supersede and replace the prior version of Exhibit D, effective as of the start of the applicable Fiscal Year. In the event that SpinCo notifies Parent on or before July 31 of a Fiscal Year that the Product Price for one or more Product SKUs on the updated price list submitted by Parent for the subsequent Fiscal Year does not reflect changes consistent with the Accounting Principles, the Chief Financial Officers (or officers with equivalent duties) of each of the Parties will discuss and work in good faith to resolve the dispute within ten (10) business days. If such officers cannot resolve the matter within such time period, either Party can escalate the matter to an independent third party auditor mutually agreed upon by the Parties. Any such independent third party auditor will only be charged with determining whether the disputed Product Price(s) has been calculated in a manner consistent with Accounting Principles and, if not, what such Product Price(s) should be if calculated in such a manner. The determination of such independent third party auditor shall be binding upon the Parties and such auditor will be instructed and authorized by the Parties to issue a binding resolution to the dispute no later than September 30 (i.e., prior to the Fiscal Year for which the price list is relevant). In the event that, despite the foregoing sentence, a Product Price for a Product SKU is not determined by September 30, during the pendency of the dispute resolution procedure, the Product Price for such Product SKU shall be the higher of (i) the applicable Product Price for such Product SKU during the most recent Fiscal Year and (ii) SpinCo's determination of the Product Price for such Product SKU in its application of the Accounting Principles and, following resolution of the disputed prices, Parent will apply a credit to future invoices issued to SpinCo under this Agreement if the Product Price for such Product SKU is determined to be lower and Parent will invoice SpinCo for any underpaid amount if the Product Price for such Product SKU is determined to be higher, in each case when compared to the Product Price for such Product SKU during the dispute.

3.2 Stainless Steel Cost Adjustment. If, in any Fiscal Year, the cost of stainless steel increases or decreases by more than five percent (5%) as compared to the cost of stainless steel as of the Pricing Date for such Fiscal Year, as determined based on the MEPS Stainless Steel 304 index, then Parent shall adjust the Product Price for each Product SKU by an amount reflecting the aggregate increase or decrease in the cost of stainless steel, on a pro-rata basis based on the cost of stainless steel in proportion to the overall Product Price for each Product SKU. Parent shall notify SpinCo in writing of any such Product Price adjustment due to the cost of stainless steel by submitting an updated price list to SpinCo at least fifteen (15) days prior to the start of the next Calendar Quarter. Such updated price list shall be deemed to be attached to this Agreement as Exhibit D, and shall supersede and replace the prior version of Exhibit D, effective as of the start of the next Calendar Quarter. Following an initial adjustment of the Product Price for a Product SKU under this Section 3.2 in a Fiscal Year, Parent shall adjust the Product Price for such Product SKU through the same mechanic as set forth above if there are further increases or decreases to the cost of stainless steel in such Fiscal Year, as determined based on the MEPS Stainless Steel 304 index; *provided* that Parent will not make any such changes unless the further increase or decrease, as applicable, in the cost of stainless steel in such Fiscal Year exceeds 0.5% as compared to the cost of stainless steel as of the date of the last adjustment pursuant to this Section 3.3. For the avoidance of doubt, any increase or decrease in the cost of stainless steel, as determined based on the MEPS Stainless Steel 304 index, between the Pricing Date and the start of the subsequent Fiscal Year that would give rise to a Product Price adjustment under this Section 3.3 shall not be reflected in the Product Price for each Product SKU until the second Calendar Quarter of such Fiscal Year.

3.3 Regulatory Cost Adjustment. In addition to the price adjustments set forth in Section 3.2, if, at any time during the Term, there is a change in applicable Law or other legal or regulatory requirement that alters the costs of manufacture of a Product SKU, then Parent shall adjust the Product Price for such Product SKU by an amount reflecting any related adjustment to the costs allocable to the manufacture of such Product SKU, *provided* that, if such change in applicable Law or other legal or regulatory requirement alters the costs of manufacture of both one or more Product SKU(s) and one or more other product(s) of Parent that are not Products, the applicable costs will be equitably allocated between or among such Product SKU(s) and such other product(s). Parent shall promptly notify SpinCo in writing of any such Product Price adjustment due to a change in applicable Law or other legal or regulatory requirement by submitting an updated price list to SpinCo at least fifteen (15) days prior to the start of the next Month. Such updated price list shall be deemed to be attached to this Agreement as Exhibit D, and shall supersede and replace the prior version of Exhibit D, effective as of the start of the next Month. Upon request, Parent will provide SpinCo with such documentation as SpinCo may reasonably request itemizing and evidencing the increase or decrease in costs based on such change to the manufacturing process and the allocation thereof to the manufacture of the Products.

3.4 Cost Improvement Program. Parent will continue its cost improvement program for cannula manufacturing, with the goal, but not a guarantee, of cost reduction. The Joint Operations Group shall discuss cannula production cost improvements in its quarterly meetings until commencement of the Termination Period. The Parties will also discuss in good faith appropriate allocations of any resulting savings, including potential impact on Product Price, after deducting actual, direct and documented costs of the improvement implementation, with any such allocations to be mutually agreed upon by the Parties.

3.5 Capital Cost Recovery. If, at any time during the Term, Parent invests in any new capital expenditures to satisfy increased demand from SpinCo or to manufacture a new Product SKU as contemplated by Section 2.4 ("Capital Expenditures"), including new equipment, molds, mold presses, and associated testing ("Additional Equipment"), then the remaining unamortized amount of such Capital Expenditures shall be treated as follows, at SpinCo's election: (a) on or after the effective date of termination, Parent shall invoice SpinCo for such amount, less the salvage value of the applicable Additional Equipment (as reasonably demonstrated by documentation provided by Parent to SpinCo, which documentation shall constitute Confidential Information of Parent), and SpinCo shall pay to Parent such invoiced amount within thirty (30) days of receipt of such invoice, or (b) such amount will be divided among and added to the Product Price for SpinCo's remaining purchases during the Termination Period, as applicable; *provided*, *however*, that Parent shall use reasonable efforts to reduce the remaining unamortized amount of such Capital Expenditures by utilizing, to the extent reasonably practicable, the Additional Equipment or components thereof in Parent's other businesses, in which case such remaining unamortized amount shall be reduced to account for such alternative utilization. Upon SpinCo's request, Parent will confirm as to whether any such alternative utilization has occurred and the applicable calculation of such remaining unamortized amount in light of such utilization. For the avoidance of doubt, Parent shall be responsible for the costs of maintenance, upkeep and replacement, as applicable, of any Parent equipment used in the manufacture of Products as of the Effective Date.

3.6 Expediting Costs. Any incremental costs for the manufacture and supply of Product resulting from a requirement to expedite such manufacture and supply shall be borne exclusively by the Party responsible for such requirement.

3.7 Pricing Commitment. At all times during the Term, the Product Price for each Product SKU hereunder shall be no less favorable than the price contemporaneously charged by Parent to any similarly situated, unaffiliated third party customer (for clarity, not including any subcontractor engaged by Parent or its Affiliates) that purchases equal to or less than a similar volume of such Product SKU over the course of a contemporaneous twelve-month period. Any change in a Product Price pursuant to this clause will only be applied on a prospective basis.

ARTICLE 4
FORECASTS AND ORDERS

4.1 Rolling Forecast. SpinCo shall furnish Parent with a rolling twelve (12)-Month forecast of SpinCo's Product orders by Product SKU (the "Rolling Forecast"). The Rolling Forecast shall be updated monthly and provided to Parent by the fifteenth (15th) day of the Month prior to the first Month of such Rolling Forecast; *provided*, *however*, that the Yearly Base Forecast will be deemed to be the Rolling Forecast that would otherwise be submitted on September 15th of the Fiscal Year in which the Yearly Base Forecast was submitted. All Rolling Forecasts must be consistent with the applicable Yearly Maximum Purchase and Maximum Monthly Purchase. The initial Rolling Forecast is attached to this Agreement as Exhibit E. The first two (2) Months of each Rolling Forecast shall be binding upon SpinCo by Product Group and, except as otherwise agreed by the Parties, by Product SKU. Months three (3) through twelve (12) of each Rolling Forecast are non-binding; *provided*, *however*, that:

(a) on a Product Group-basis, any revisions in a subsequent Rolling Forecast to Months three (3) through twelve (12) of the prior Rolling Forecast with respect to a Product Group will require, and will not be effective without, the following advance notice in writing from SpinCo to Parent: (i) for revisions less than two percent (2%) to the amount of such Product Group to be ordered in a Month, one (1) month's advance notice, (ii) for revisions between two percent (2%) and five percent (5%) to the amount of such Product Group to be ordered in a Month, three (3) months' advance notice and (iii) for revisions over five percent (5%) to the amount of such Product Group to be ordered in a Month, six (6) months' advance notice; and

(b) on a Product SKU-basis, any revisions in a subsequent Rolling Forecast to Months three (3) through twelve (12) of the prior Rolling Forecast with respect to a Product SKU within a specified Product Group will require, and will not be effective without, the following advance notice in writing from SpinCo to Parent: (i) for revisions less than ten percent (10%) to the amount of such Product SKU to be ordered in a Month, no advance notice (*i.e.*, such change may be made in the applicable Purchase Order), (ii) for revisions between ten percent (10%) and twenty-five percent (25%) to the amount of such Product SKU to be ordered in a Month, three (3) months' advance notice and (iii) for revisions between twenty-five percent (25%) and fifty percent (50%) to the amount of such Product SKU to be ordered in a Month, six (6) months' advance notice.

To the extent that a Rolling Forecast is not communicated by SpinCo by the fifteenth (15th) day of the then-current Month, the Parties agree that the Rolling Forecast issued in the previous Month will be given effect as if it were submitted in the current Month (with Months shifted as needed to adjust for the fact that the Rolling Forecast was issued for a prior Month).

4.2 Purchase Orders. Purchase orders for Product under this Agreement (each, a "Purchase Order") shall be delivered monthly by SpinCo to Parent no more than three (3) months and no less than two (2) months prior to the Monthly Delivery Date, and shall indicate orders by Product SKU and Product Group. Notwithstanding anything to the contrary in this Agreement, in no event shall any individual SpinCo facility issue more than one (1) Purchase Order in any Month. All orders of a Product SKU shall be by units of such Product SKU, and Parent will fill such orders to the nearest complete Cartridge of such Product SKU, in accordance with the procedure set forth on Exhibit H.

4.3 Purchase Order Confirmation. Parent shall confirm or, subject to the terms of this Agreement, reject, each Purchase Order within fifteen (15) days of receipt, which confirmation, if given, shall confirm the applicable Month of delivery, the quantity of each Product SKU ordered and the applicable Product Price therefor. Parent shall not have the right to reject any Purchase Order that is consistent with the most recent binding forecast applicable to such Month; *provided*, *however*, that if any Purchase Order contains (a) quantities of a Product Group in excess of the Maximum Monthly Purchase for the applicable Month for such Product Group or (b) quantities of a Product SKU in excess of the most recent binding forecast for such Month for such Product SKU in the Rolling Forecast, Parent shall have no obligation to supply such excess quantities except to the extent it confirms in writing to SpinCo its agreement, in its sole discretion (and subject to such pricing as may be negotiated by the Parties), to supply such excess quantities (in whole or in part).

4.4 Delivery Date. In addition, with respect to each Purchase Order confirmed by Parent, no later than one (1) week prior to the delivery date with respect to any Product SKUs set forth in such Purchase Order, Parent shall confirm electronically to SpinCo (a) such delivery date with respect to such Product SKUs, which shall in no event be later than the Monthly Delivery Date for the applicable Month, (b) the location of such delivery (*i.e.*, Parent's facility in Columbus, Nebraska and/or Parent's facility in Tuas, Singapore) and (c) the approximate units of Product SKUs set forth in such Purchase Order that will be delivered on such date at such location.

4.5 Monthly Shortfalls. Subject to Section 6.4, if, in any Month, the quantities of Product, by Product SKU, ordered in all Purchase Orders submitted in such Month are less than the quantities of such Product SKU set forth in the binding forecast for such Month submitted under Section ARTICLE 4, SpinCo must order such shortfall amount of units of such Product SKU in Purchase Orders submitted in the next two (2) Months following the Month in which such shortfall amount arose, subject to the applicable Maximum Monthly Purchase. To the extent SpinCo fails to order such shortfall amount during such two (2) month period, SpinCo will be deemed to have issued to Parent a Purchase Order for the units of each Product SKU that are subject to such shortfall, subject to the applicable Maximum Monthly Purchase, Parent will deliver such units of Product SKU pursuant to such deemed Purchase Order in accordance with the terms of this Agreement and SpinCo will pay the Product Price for such units of Product SKU in accordance with this Agreement.

4.6 Yearly Maximum Purchase. Notwithstanding anything contained in a Rolling Forecast or this Agreement to the contrary, except as otherwise mutually agreed by the Parties in writing, Parent shall have no obligation, in any Fiscal Year, to supply Products to SpinCo, by Product Group, in excess of the following quantities (each, a "Yearly Maximum Purchase"):

(a) during each Fiscal Year other than a Termination Year, such quantity of each Product Group as is equal to 110% of the Yearly Base Forecast Amount for such Product Group for such Fiscal Year, *provided* that, for clarity, Products supplied to SpinCo under the 2022 Base Forecast prior to the Effective Date shall be deemed supplied to SpinCo for purposes of determining whether the Yearly Maximum Purchase for Year 1 has been achieved;

(b) notwithstanding clause (a), during the Termination Period, such quantity as follows:

(i) during the first Termination Year, such quantity of units of each Product Group as is (1) with respect to the period of such Termination Year that coincides with a Fiscal Year for which there is a Yearly Base Forecast, the Yearly Base Forecast Amount of such Product Group for the remainder of such Fiscal Year that falls within such Termination Year and (2) for the remainder of such Termination Year (if any), seventy-five percent (75%) of the Allowable Purchase Cap for such Product Group in such Fiscal Year immediately prior to the Fiscal Year in which the notice (or deemed notice) of termination occurred (the "Termination Base Year"), pro-rated for such remainder of the Termination Year;

(ii) during the second Termination Year, such quantity of units of each Product Group as is equal to fifty percent (50%) of the Allowable Purchase Cap for such Product Group in the Termination Base Year; and

(iii) during the final Termination Year, such quantity of units of each Product Group as is equal to twenty-five percent (25%) of the Allowable Purchase Cap for such Product Group in the Termination Base Year;

provided that, except as otherwise mutually agreed by the Parties in writing or under Section 6.4(d)(iv), the Yearly Maximum Purchase for each Fiscal Year shall be subject to the Allowable Purchase Cap.

4.7 Capacity Increases. Notwithstanding anything to the contrary in this Agreement, until SpinCo's first delivery of a Yearly Base Forecast that includes at least [* * *] billion units of Product less than the Maximum Allowable Purchase Cap, SpinCo may notify Parent no more than once per twelve (12)-month period during the Term that SpinCo desires for Parent to increase its manufacturing capacity and make a corresponding increase to the Maximum Allowable Purchase Cap and the Yearly Maximum Purchases for one or more Product Groups and corresponding Product SKUs. Following the Parties' agreement upon mutually agreeable terms with respect to any such capacity increase, including the allocation of costs with respect thereto and the anticipated timing of completion thereof (which shall be no less than [* * *] months from the date of such agreement), Parent will undertake such capacity increase in accordance with such agreed terms, at a facility of Parent's choosing, subject to the timely payment by SpinCo of all costs allocated to SpinCo associated therewith; *provided* that at no time will Parent have any obligation to increase its manufacturing capacity to produce more than [* * *] billion units of Product in any [* * *] month period.

4.8 Annual Reconciliations.

(a) If, with respect to a Fiscal Year, SpinCo has failed to submit a Yearly Base Forecast for each Product SKU that is equal or more than the Purchase Commitment (or Termination Purchase Commitment, as applicable) for such Product SKU for such Year, following the end of such Fiscal Year, the Joint Operations Group shall review the aggregate Product ordered by SpinCo by Product SKU and the Mark-Up received by Parent based on such orders in such Fiscal Year (treating as received any Mark-Up that was not received on account of any underruns pursuant to Section 5.2). If Parent has received less than one hundred percent (100%) of the Mark-Up for a Product SKU that Parent would have received had SpinCo submitted and complied with a Yearly Base Forecast for such Product SKU equal to the Purchase Commitment for such Product SKU for such Fiscal Year, then SpinCo will pay to Parent a payment that will be calculated, on a Product SKU-by-Product SKU basis, as the Lost Mark-up for such Fiscal Year as a result of such failure. Any amount owed by SpinCo under this Section 4.8(a) shall be payable by SpinCo within ninety (90) days of receipt of an invoice therefor from Parent.

(b) Following the end of each Fiscal Year of this Agreement, in the event that SpinCo failed to order any Product SKU in the quantities set forth in the Yearly Base Forecast for such Fiscal Year, the Joint Operations Group shall review the aggregate Product ordered by SpinCo by Product SKU and the Absorption and Mark-Up received by Parent based on such orders in such Fiscal Year (treating as received any Absorption or Mark-Up that was not received on account of any underruns pursuant to Section 5.2). If Parent has received less than one hundred percent

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(100%) of either or both of the Absorption or Mark-Up with respect to a Product SKU that Parent would have received had SpinCo complied with the Yearly Base Forecast for such Product SKU for such Fiscal Year, then SpinCo will pay to Parent a payment that will be calculated, on a Product SKU-by-Product SKU basis, as (a) the Absorption Variance for such Fiscal Year (if any), *plus* (b) the Lost Mark-up for such Fiscal Year (if any and to the extent not owed under Section 4.8(a)), in each case ((a) and (b)), as a result of such shortfall. Notwithstanding the foregoing, if a Major Supply Failure occurs and the Updated Forecast modifies the Yearly Base Forecast under Section 6.4(d)(iii), the annual reconciliation under this Section 4.8(b) shall not occur until following the end of the twenty-four (24)-month period covered by the Updated Forecast, and at such time shall occur with respect to all periods between the last such annual reconciliation and the end of such twenty-four (24)-month period (and thereafter, the annual reconciliation shall be conducted following each Fiscal Year in accordance with this Section 4.8(b)). Any amount owed by SpinCo under this Section 4.8(b) shall be payable by SpinCo within ninety (90) days of receipt of an invoice therefor from Parent.

4.9 Conflicts. No provision in any Purchase Order, Purchase Order confirmation or invoice that purports to impose different or additional terms or conditions than those set forth in this Agreement shall be of any force or effect.

ARTICLE 5
SHIPMENT AND DELIVERY; INVOICES

5.1 Delivery. Any Product supplied under this Agreement shall be delivered Ex Works (*Incoterms 2010*) Parent's facility in Columbus, Nebraska or Tuas, Singapore, as applicable. SpinCo, at its own expense, shall be responsible for loading, transporting, and if applicable, exporting the Product from the foregoing location to SpinCo's facility. Title to Product and risk of loss or damage shall pass to SpinCo upon delivery to SpinCo, or its agents, Ex Works (*Incoterms 2010*) Parent's facility in accordance with this Section.

5.2 Overruns and Underruns. Notwithstanding anything to the contrary in this Agreement, on a Product SKU-by-Product SKU basis, the permissible overrun and underrun of a given Product SKU delivered by Parent in any given Month shall not exceed plus or minus five percent (5%) of the confirmed, aggregate amount of units of such Product SKU actually ordered in that Month, *provided* that the yearly overrun or underrun may not exceed plus or minus two percent (2%) of the confirmed, aggregate amount of units of such Product SKU actually ordered in any Fiscal Year. For the avoidance of doubt, such permitted overrun and underrun amounts will be calculated on a Product SKU-by-Product SKU (not manufacturing site-by-manufacturing site) basis.

5.3 Cartridges. At all times, Parent shall retain title to the Cartridges, and SpinCo acknowledges and agrees that such Cartridges are proprietary to Parent. In no event shall SpinCo transfer any Cartridge to a third party or show or provide access to a Cartridge to a third party. SpinCo shall solely use Cartridges pursuant to Parent's written instructions. SpinCo shall return empty Cartridges to Parent on a periodic basis as directed by Parent, at Parent's cost. All intellectual property covering or embodied in the Cartridge, as well as the tangible Cartridge itself is considered the "Restricted Confidential Information" of Parent.

5.4 Cannula Lubricant. For [* * *] years following the Effective Date (unless otherwise terminated by SpinCo), Parent shall supply to SpinCo cannula lubricant, such cannula lubricant to be solely used in manufacturing lines incorporating Manufacturing Line IP and for the sole purpose of manufacturing Products or any cannula supplied to SpinCo by an alternate third party supplier, subject to the IP Matters Agreement, on the terms and subject to the conditions set forth on Exhibit I hereto.

5.5 Invoices. Parent shall invoice SpinCo for the delivered quantity upon each delivery of Product, and SpinCo shall pay the full balance of each invoice in US Dollars within ninety (90) days after delivery by Parent to SpinCo. All such invoices shall be forwarded to the attention of the following:

SpinCo

[●]

5.6 Taxes. To the extent that Products purchased under this Agreement are subject to any consumption-based taxes (e.g., sales, use and/or value-added taxes), payment of such taxes is the responsibility of SpinCo. Parent shall have the right to withhold taxes where required to do so by applicable Laws.

ARTICLE 6
ASSURANCE OF SUPPLY

6.1 Parent Safety Stock. During the Term of this Agreement, Parent agrees to hold and store approximately [* * *] weeks of safety stock of Products, on a Product Group basis ("Parent Safety Stock"). Parent may adjust the amount of Parent Safety Stock to reflect material changes in Product volume as may be indicated in the Rolling Forecast. During the Term of this Agreement, at Parent's option, the Parent Safety Stock may be used to satisfy Purchase Orders in excess of the Yearly Maximum Purchase or the Maximum Monthly Purchase, or to avoid or remedy a Supply Failure. Parent shall use its commercially reasonable efforts to replenish any Parent Safety Stock as soon as possible following its use thereof, but in any event no later than three (3) months following such use.

6.2 SpinCo Safety Stock. During the Term of this Agreement, SpinCo agrees to hold and store no less than [* * *] weeks of safety stock of Products, on a Product Group basis ("SpinCo Safety Stock"). SpinCo shall routinely update the SpinCo Safety Stock to reflect SpinCo's changing volume requirements. During the Term of this Agreement, unless otherwise agreed to by Parent, upon Parent's notification of a Supply Failure, SpinCo shall use the SpinCo Safety Stock to fulfill any undelivered Product in accordance with the Rolling Forecast in effect for the Month in which the notification occurred. Following the resolution of any Supply Failure, SpinCo shall replenish any SpinCo Safety Stock as soon as possible following its use thereof, but in any event no later than six (6) months following such use, and subject to the Yearly Maximum Purchases (and, for clarity, it shall not constitute a breach of this Section 6.2 if SpinCo is unable to replenish any SpinCo Safety Stock within such six (6)-month period as a result of the Yearly Maximum Purchases, *provided* that SpinCo replenishes such SpinCo Safety Stock as soon as possible in light of the Yearly Maximum Purchases).

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6.3 Joint Operations Group. Promptly following the Effective Date, the Parties shall form a joint operations group (the "Joint Operations Group"). The Joint Operations Group will be comprised of three representatives from each Party, who will meet at least once quarterly, in each case, by telephone, videocall or in person. Each Party may change its representatives on the Joint Operations Group by written notice to the other Party. The Joint Operations Group will discuss any concerns, issues, cost improvements, long-term volume requirements and capacity issues by Product SKU or performance updates, and will have such other responsibilities as are set forth in this Agreement. The Joint Operations Group is intended to facilitate communication between the Parties and to aid the Parties in long-range planning but shall have no power to bind either Party or modify the terms of this Agreement.

6.4 Supply Failures.

(a) Notice. Parent shall promptly notify SpinCo of any event that appears reasonably likely to result in a Supply Failure with respect to a Product SKU.

(b) Remediation Plan. Within five (5) business days of Parent's notification to SpinCo under Section 6.4(a), Parent will prepare a remediation plan intended to resolve the Supply Failure within thirty (30) days of such notification and will inform SpinCo of such plan in reasonable detail, subject to redaction for highly sensitive or trade secret information. If such Supply Failure involves a partial (but not total) inability to supply ordered Product SKU due to a shortage of Raw Materials or a shortage of such Product SKU, Parent will include in such remediation plan a proposal for an equitable allocation of Raw Materials or units of such Product SKU among all of Parent's requirements with respect to such Raw Materials or Products, *pro rata* based on SpinCo's usage and any other usage of such Raw Materials or Products for the twelve (12)-month period prior to such Supply Failure, and will use commercially reasonable efforts to carry out such equitable allocation. Parent shall keep SpinCo reasonably informed of Parent's progress in executing on any such remediation plan.

(c) Effects of Major Supply Failure. Notwithstanding anything provided herein to the contrary, if a Major Supply Failure occurs, SpinCo will be excused from (i) the Purchase Commitments (or Termination Purchase Commitments, as applicable), (ii) SpinCo's obligation to comply with the Yearly Base Forecast as set forth in Section ARTICLE 4 and Section 4.8 and (iii) SpinCo's obligations with respect to monthly shortfalls pursuant to Section 4.5, in each case, solely to the extent of such Product SKUs affected by such Major Supply Failure during the occurrence of such Major Supply Failure and for ninety (90) days after Parent's notice pursuant to Section 6.4(d) that such Major Supply Failure has been remedied.

(d) Resolution and Resumption of Supply.

(i) Parent will notify SpinCo in writing when the underlying issue causing the Major Supply Failure is remedied and Parent is able to recommence its manufacture and supply of the Product SKUs affected by such Major Supply Failure.

(ii) Effective as of the ninetieth (90th) day following such notice from Parent, SpinCo will be subject to the Purchase Commitments described in Section 2.2(a)(ii) (or Termination Purchase Commitments, as applicable) with respect to such affected Product SKUs, subject to Section 6.4(d)(iii).

(iii) Within thirty (30) days after Parent's notice that the underlying issue is remedied, SpinCo shall submit to Parent an updated Rolling Forecast for the period starting on the ninetieth (90th) day following such notice from Parent (the "Updated Forecast"), *provided* that such Updated Forecast shall include the period starting on such day and ending twenty-four (24) months thereafter. Such Updated Forecast shall be consistent with the Purchase Commitment in Section 2.2(a)(ii) (or Termination Purchase Commitments, as applicable) and Allowable Purchase Cap in the Fiscal Year during which the applicable Major Supply Failure occurred, in each case reduced *pro rata* to account for the portion of the applicable Fiscal Year (or Termination Year, as applicable) during which Purchase Commitments (or Termination Purchase Commitments, as applicable) were not in effect. If such Updated Forecast is consistent with the Yearly Base Forecast for such Fiscal Year for the applicable Months remaining in such Fiscal Year, then there will be no change to the then-current price list set forth on Exhibit D and the Yearly Base Forecast will stay in place and be unmodified going forward. If such Updated Forecast is not consistent with the Yearly Base Forecast for such Fiscal Year for the applicable Months remaining in such Fiscal Year (or if the applicable Yearly Base Forecast did not include the applicable Product SKU(s) because the Major Supply Failure commenced prior to submission of the Yearly Base Forecast), then the Yearly Base Forecast will be deemed to be modified as set forth in such Updated Forecast, and Parent shall thereafter update the price list set forth on Exhibit D to reflect any changes to the pricing for each Product SKU based on such Updated Forecast and the Accounting Principles, and shall submit such updated price list to SpinCo no later than the sixtieth (60th) day following such notice from Parent. Such updated price list shall be deemed to be attached to this Agreement as Exhibit D, and shall supersede and replace the prior version of Exhibit D, effective as of the ninetieth (90th) day following such notice from Parent. SpinCo may, within thirty (30) days of receipt of the updated price list from Parent, dispute the application of Accounting Principles by Parent in calculating the prices set forth on such price list by notice to Parent in which case the dispute resolution procedure set forth in Section 3.1(b) shall apply. During the pendency of the dispute resolution procedure, the Product Price shall be the higher of (i) the Product Price prior to the Major Supply Failure and (ii) SpinCo's determination of the Product Price in its application of the Accounting Principles and, following resolution of the disputed prices, Parent will apply a credit to future invoices issued to SpinCo under this Agreement if the Product Price is determined to be lower and Parent will invoice SpinCo for any underpaid amount if the Product Price is determined to be higher, in each case when compared to the Product Price during the dispute. For clarity, Yearly Base Forecasts will continue to be submitted by SpinCo during the 24-month period covered by the Updated Forecast and such Yearly Base Forecast must be no less, on a month-by-month and SKU-by-SKU basis, then the relevant portion of the Updated Forecast.

(iv) During the twenty-four (24)-month period covered by the Updated Forecast, the Allowable Purchase Cap will remain at the level applicable prior to occurrence of the Major Supply Failure. Following such twenty-four (24)-month period for the remainder of the applicable Fiscal Year, the Allowable Purchase Cap for such remainder of the applicable Fiscal Year will be (a) the Maximum Allowable Purchase Cap pro-rated for the applicable partial Fiscal Year if (i) the Allowable Purchase Cap in the Fiscal Year in which the Major Supply Failure occurred was the Maximum Allowable Purchase Cap and (ii) the Yearly Base Forecast for the remainder of the applicable Fiscal Year is not more than or equal to [* * *] billion units less than such Maximum Allowable Purchase Cap (if such Yearly Base Forecast is proportionally adjusted for a 12-month period), (b) in all other instances, the lower of (i) the Allowable Purchase Cap for the

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Fiscal Year during which the Major Supply Failure occurred and (ii) 110% of the then-current Yearly Base Forecast Amount pro-rated for the applicable partial Fiscal Year. The Allowable Purchase Cap for all subsequent Fiscal Years shall be as set forth in Section 4.6. Also, following such twenty-four (24)-month period covered by an Updated Forecast that modified the Yearly Base Forecast under Section 6.4(d)(iii), the Purchase Commitment for the remainder of the applicable Fiscal Year will be a pro-rated amount of the Purchase Commitment for such Fiscal Year (if no Updated Forecast was in place during such Fiscal Year).

(e) SpinCo Remedies. Without limiting any other remedy under this Agreement or applicable Laws, in no event shall SpinCo have the right to terminate this Agreement under Section 13.4 as a result of any Supply Failure, *except* that SpinCo may terminate this Agreement under Section 13.4, on a Product SKU-by-Product SKU basis with respect to the Product SKU to which a Major Supply Failure relates, if a Major Supply Failure Termination Event has occurred with respect to such Product SKU. In addition, notwithstanding anything to the contrary under this Agreement, the Parties agree and acknowledge that, for a Major Supply Failure that is not a Major Supply Failure Termination Event, (i) SpinCo's sole and exclusive remedy under this Agreement is to provide an Updated Forecast under this Section 6.4, and (ii) SpinCo's sole and exclusive remedy under the IP Matters Agreement is a waiver of the upfront and incremental royalty fees, as applicable, otherwise due to Parent on cannula sourced from a Third Party during such Major Supply Failure; *provided* that such waiver is applicable for a maximum of two (2) years from the date of the commencement of such Major Supply Failure (it being understood that if Third Party-sourced cannula are being used with Manufacturing Line IP following such two (2) year waiver, then the upfront will be due and royalty fees will be due on future sales, as further described in the IP Matters Agreement).

ARTICLE 7
PRODUCT WARRANTY

7.1 Limited Product Warranty. Parent warrants to SpinCo that, at the time of delivery of any Product EXW as set forth in Section 5.1: (a) Parent will have title to such Product, free and clear of all liens and encumbrances; (b) such Product will meet the Specifications for the applicable Product SKU in all material respects; and (c) such Product will have been manufactured, handled, stored and transported in all material respects in accordance with applicable Laws.

7.2 Warranty Claims. Claims for any failure of a Product to meet the warranties set forth in Section 7.1 (such failure, a "Nonconformance"), which Nonconformance is reasonably capable of being detected by visual inspection, shall be made by SpinCo in writing within sixty (60) days following delivery of the applicable Product EXW as set forth in Section 5.1. Claims for Nonconformance that cannot reasonably be detected through visual inspection ("Latent Nonconformance"), shall be made by SpinCo in writing to Parent as soon as practicable, but in no event later than fifteen (15) days after such Latent Nonconformance is detected. Upon Parent's receipt of such a claim, Parent will work in good faith with SpinCo to resolve the issue. If the Parties have mutually agreed that there is a Nonconformance or Latent Nonconformance, then, in accordance with Parent's request, the affected Product shall either be returned to Parent or destroyed at Parent's reasonable expense. If no claim is made by SpinCo within the timeframes set forth in this Section 7.2, the Product shall be deemed accepted by SpinCo notwithstanding any Nonconformance. SpinCo shall have the right, but not an obligation, to perform any confirmatory testing of Products released for delivery to SpinCo as SpinCo deems appropriate.

7.3 Disputes. In the event the Parties disagree as to whether a Product is in Nonconformance or Latent Nonconformance, the Parties shall discuss in good faith in order to determine, by mutual agreement, whether such Product is in Nonconformance or Latent Nonconformance. If such Product is not in Nonconformance or Latent Nonconformance, SpinCo shall purchase the Product at the Product Price, irrespective of whether Parent has already replaced same (in which case SpinCo shall pay the Product Price for both the original Product and the replacement Product).

7.4 Sole Remedy. If any Product for which SpinCo made a warranty claim in accordance with Section 7.2 is in Nonconformance or Latent Nonconformance, Parent shall, at SpinCo's option, promptly replace the Product at no additional cost to SpinCo, credit SpinCo's account in an amount equal to the Product Price of the rejected Product, or refund that sum to SpinCo within sixty (60) days of SpinCo's request. The remedy set forth in this Section 7.4 shall be SpinCo's sole remedy with respect to any Nonconformance or Latent Nonconformance, except (a) as expressly set forth in Section 11.1 with respect to third-party Claims and (b) as expressly set forth in Section 8.7 with respect to out-of-pocket costs incurred in connection with recalls of SpinCo Products arising from a Nonconformance.

7.5 Warranty Exceptions. The warranties set forth in Section 7.1 shall not apply to: (a) any Product that, following delivery EXW as set forth in Section 5.1, is misused, neglected, improperly stored or handled, altered, abused or used for any purpose other than the one for which it was manufactured (including any Non-Conforming Use) or other conditions beyond the control of Parent, its Affiliates or their respective agents; or (b) any Product that, following delivery EXW as set forth in Section 5.1, suffers any damages or defects caused by unauthorized repair or use of parts or components not provided by Parent or its Affiliates under this Agreement for use in connection with the Product.

7.6 Delivery of Non-Conforming Product. For purposes of determining whether a Supply Failure has occurred, any delivery of Product (a) that has been rejected by SpinCo in accordance with Section 7.2, (b) that is deemed to be in Nonconformance or Latent Nonconformance under Section 7.3 and (c) for which Parent has not delivered replacement Product as set forth in Section 7.4 within the sixty (60)-day period set forth in Section 7.4, shall be deemed to be a failure to deliver such Product, for purpose of the definitions of "Supply Failure" and "Major Supply Failure," as applicable, to the extent of such Nonconformance or Latent Nonconformance.

ARTICLE 8
REGULATORY PROVISIONS

8.1 Quality. Parent shall maintain ongoing quality assurance and testing procedures in accordance with, and sufficient to comply with, the Specifications. Upon either Party's request following the Effective Date, the Parties will enter into good faith negotiations on commercially reasonable terms of a quality agreement, such quality agreement to enumerate each Party's responsibilities related to Product quality control and quality assurance, with a goal of entering into such quality agreement within ninety (90) days of the initial request by a Party.

8.2 Regulatory Responsibility. SpinCo shall be solely responsible for diligently developing and generating appropriate data for regulatory filings to seek approval to market and sell SpinCo Products and for maintaining all such approvals.

8.3 Audit of Facility and Records. SpinCo may, at its sole expense, send designated SpinCo employees to Parent's manufacturing facility upon reasonable notice, during normal business hours and for a reasonable duration, to audit and inspect the facilities in which the Products are manufactured, as is reasonably necessary to monitor Parent's compliance with this Agreement, and Parent will allow such SpinCo employees reasonable access to all manufacturing records for the Products as is reasonably necessary for such purposes; *provided* that SpinCo shall advise Parent in writing at least thirty (30) days in advance of the names of SpinCo's employees and the meeting agenda, and shall provide such representatives with proper identification. No such audit involving SpinCo shall be permitted unless and until the Visit CDA shall have been executed by SpinCo and delivered to Parent. In no event will SpinCo have the right to access any portion of a facility where Parent manufactures cannula that are not Products or that are not for supply to SpinCo, or conducts any activities that are proprietary in nature (even if such activities relate to the Products or the manufacturing process therefor).

8.4 Government Inspections. It is understood that foreign or domestic government regulatory authorities may send designated employees of such foreign or domestic government regulatory authorities to Parent's manufacturing facility to inspect the facilities in which the Product is manufactured to the extent reasonably necessary in connection with SpinCo's obtaining and maintaining regulatory approvals for SpinCo Products containing Product, and, upon SpinCo's reasonable prior notice to Parent, Parent will allow such foreign or domestic government regulatory authorities reasonable access to all manufacturing records for the Products to the extent reasonably necessary for such purposes, subject to customary obligations of confidentiality.

8.5 Manufacturing Process and Product Changes. Parent shall provide SpinCo with notice of any changes to the manufacturing process for any Product SKU (which changes may constitute, to the extent provided therein, a change in Materials used in the manufacture of the Product, changes to manufacturing sites, etc.), in each case, as would typically be provided in accordance with Parent's usual and customary procedure regarding customer notification of a manufacturing process change as then in effect, and Parent may implement such changes; *provided* that Parent may not implement any such change without SpinCo's consent (not to be unreasonably withheld, conditioned or delayed) if such change would be reasonably likely to require an amendment to any regulatory filing for a SpinCo Product or require the collection of additional clinical data for a SpinCo Product, in either case, unless such change is required by applicable Laws, in which case Parent will provide SpinCo with reasonable advance notice thereof. Parent may not make any changes to the Specifications for any Product SKU without SpinCo's consent (not to be unreasonably withheld, conditioned or delayed), unless such change is required by applicable Laws, in which case Parent will provide SpinCo with reasonable advance notice thereof.

8.6 Exclusion, Debarment or Suspension. Each Party represents and warrants that it and any person or entity employed or engaged by it, including its employees, contractors, consultants or agents who will provide Materials or Product in connection with this Agreement (for purposes of this Section 8.6, "Personnel") are not currently: (a) excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs as defined in 42 U.S.C. § 1320a–7b or in

federal procurement or non-procurement activities as defined in Executive Order 12689 ("Ineligible"); (b) debarred pursuant to the Generic Drug Enforcement Act of 1992, 21 U.S.C. § 335(a), as amended, or any similar state law or regulation ("Debarred"); (c) excluded by the Office of Inspector General pursuant to 42 U.S.C. § 1320a-7, *et seq.* or any state agency from participation in any federal or state health care program as defined in 42 U.S.C. § 1320a-7 and 42 U.S.C. § 1320a-7b ("Excluded"); and/or (d) otherwise disqualified or restricted by the FDA pursuant to 21 C.F.R. § 312.70 or any other regulatory authority ("Disqualified"). Each Party represents and certifies that it will not utilize any Ineligible, Debarred, Excluded or Disqualified Personnel to provide any Materials or Product hereunder. During the Term of this Agreement, if either Party or any Personnel becomes Ineligible, Debarred, Excluded, or otherwise Disqualified, such Party (or the Party whose Personnel becomes Ineligible, Debarred, Excluded, or otherwise Disqualified) shall promptly cease using any such Personnel in connection with this Agreement and will notify the other Party in writing.

8.7 Recall. SpinCo will have the sole discretion to effect and control any recall, withdrawal, or field correction (each, a "Field Action") with respect to any SpinCo Product sold on or after the Effective Date. In connection with a Field Action, Parent will reasonably cooperate with responding to SpinCo's requests for information or other assistance, and in otherwise effecting such Field Action, to the extent relating to any Product. To the extent reasonably possible, SpinCo will consult with Parent before issuing any press release or otherwise making any public statement or making any other public (or non-confidential) disclosure (whether or not in response to an inquiry) regarding any Field Action that directly or indirectly references or implicates Parent. SpinCo will be responsible for communicating with any applicable governmental authorities in connection with a Field Action. SpinCo shall bear all costs and expenses incurred by it and by Parent in connection with any such Field Action (including with respect to any Field Action caused by any supplier of Raw Materials); *provided, however*, that if a Field Action results specifically from a Nonconformance (including any Latent Nonconformance), then (a) SpinCo may exercise its rights set forth in Section 7.4 with respect to such Nonconformance (including any Latent Nonconformance), and (b) Parent shall pay the reasonable out-of-pocket costs incurred by SpinCo in connection with SpinCo's response to such Field Action, but in no event to exceed [* * *] per twelve (12)-month period. Notwithstanding anything to the contrary in this Agreement, except as expressly set forth in Section 11.1 with respect to third-party Claims, the foregoing shall be SpinCo's sole and exclusive remedy with respect to a Field Action.

ARTICLE 9
CONFIDENTIALITY

9.1 Confidential Information. "Confidential Information" shall mean any information relating to the business, technology, products, processes, customers or suppliers of a Party that is disclosed by or on behalf of such Party (the "Disclosing Party") to the other Party (the "Receiving Party") in accordance with this Agreement, and that is marked as confidential, proprietary, or other similar marking or identification, or is of a type which would reasonably be expected to be confidential or proprietary by persons in the industry. For clarity, any trade secret of a Party or its Affiliates is such Party's Confidential Information under this Agreement. Confidential Information may be written, documentary, recorded, or otherwise fixed in a tangible medium, electronically communicated, or orally or visually communicated, furnished, provided, or disclosed by a Disclosing Party, or acquired by a Receiving Party directly or indirectly from the Disclosing Party.

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

The Parties acknowledge that Confidential Information includes terms and conditions of this Agreement (with each Party deemed to be the Receiving Party with respect thereto), and any communications concerning this Agreement, including forecasts and orders of Products. Any Restricted Confidential Information is the Confidential Information of Parent.

9.2 Non-Disclosure. The Receiving Party will keep all Confidential Information of the Disclosing Party strictly confidential and not disclose any Confidential Information to any Person except as expressly set forth in this Agreement. The Receiving Party may disclose the Confidential Information only to its Representatives who: (i) reasonably need to know the Confidential Information for purposes of performing under this Agreement, (ii) are obligated (by binding agreement or professional obligation) not to disclose the Confidential Information, and (iii) understand the confidential nature of the Confidential Information. The Receiving Party agrees that it shall use commercially reasonable methods, at least as stringent as the methods it uses to protect its own confidential information of like kind, to maintain and cause its Representatives to maintain the confidentiality of the Confidential Information. All Restricted Confidential Information will also be subject to the restrictions set forth in Section 5.3 and, notwithstanding anything to the contrary in this Agreement, may not be disclosed by SpinCo to any third party without Parent's express written consent or to any employee of SpinCo that does not have a need to access or a need to know such Restricted Confidential Information in order to carry out obligations or exercise express rights of SpinCo under this Agreement. In addition, all employees of SpinCo that are permitted access to, or to whom disclosure is made of, Restricted Confidential Information must, prior to and as of such access or disclosure, have in effect valid, enforceable agreements with SpinCo with confidentiality and non-use provisions at least as strict as those under this Agreement.

9.3 Protection of Confidential Information Legends. The Receiving Party may not modify or delete any intellectual property or proprietary rights legend appearing in the Disclosing Party's Confidential Information.

9.4 Confidentiality Exceptions. Subject to Section 13.7(a), the Receiving Party's obligations of confidentiality with respect to Confidential Information shall not apply to any information that:

(a) is or becomes publicly known at or after the time of disclosure by a Disclosing Party, through no wrongful act of the Receiving Party, including disclosure by the Receiving Party or any of its Affiliates or any of their respective Representatives in violation of this Agreement; or

(b) is rightfully received by the Receiving Party from a third party, which third party is not itself bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; or

(c) is independently developed by the Receiving Party independent of any Confidential Information of the other Party or its Affiliates, such independent development being performed solely by persons not having access whatsoever to the other Party's Confidential Information, as evidenced by contemporaneous written evidence of same.

9.5 Disclosure to Government. If the Receiving Party is required by a court or judicial or governmental authority of competent jurisdiction to disclose Confidential Information, where allowable by law, the Receiving Party shall provide prompt written notice to the Disclosing Party of such required disclosure so as to enable the Disclosing Party to resist any such required disclosure, to obtain suitable protection regarding such required disclosure (including a protective order), or otherwise take steps to protect the confidentiality of the Confidential Information, and shall cooperate with the Disclosing Party in connection therewith. In the event that the Disclosing Party fails to receive suitable protection (including a protective order) in a timely manner and the Receiving Party reasonably determines that it is required to disclose or provide such Confidential Information, then the Receiving Party may thereafter disclose or provide only that portion of the Confidential Information to the extent required by law, and the Receiving Party shall promptly provide the Disclosing Party with a copy of the Confidential Information so disclosed, in the same form and format so disclosed, together with a list of all persons to whom such Confidential Information was disclosed, in each case to the extent legally permitted.

9.6 Certain Public Disclosures. If a Party determines in good faith that it is required by applicable Law to publicly file this Agreement or otherwise disclose the terms of this Agreement with a governmental authority, including public filings pursuant to securities laws or the rules of a stock exchange on which the securities of the Disclosing Party are listed (or to which an application for listing has been submitted), such Disclosing Party shall provide a proposed redacted form of this Agreement or a copy of any other such proposed disclosure, as applicable, to the other Party with a reasonable amount of time prior to filing or disclosure for the other Party to review and approve such redacted form or disclosure (which approval shall not be unreasonably conditioned, withheld or delayed). The Party making such filing or disclosure shall submit this Agreement in a manner consistent with the agreed redaction and shall use commercially reasonable efforts to seek confidential treatment for the redacted terms, to the extent such confidential treatment is applicable and reasonably available consistent with applicable Law.

9.7 Return of Confidential Information. All Confidential Information received or otherwise acquired by the Receiving Party from the Disclosing Party pursuant to this Agreement shall be and remain the Disclosing Party's property. After a request by the Disclosing Party, the Receiving Party must within thirty (30) days return or destroy (and cause the return or destruction by its Affiliates and Representatives) all Confidential Information of the Disclosing Party, and promptly certify to such destruction in writing. The Receiving Party may retain one (1) copy of all such Confidential Information strictly for archival purposes, and to the extent that the Receiving Party's routine back-up procedures create copies of Confidential Information, subject to the confidentiality obligations under this Agreement.

9.8 No Obligation to Disclose. Nothing herein shall obligate either Party to disclose to the other Party any particular information.

9.9 No Licenses. Nothing herein contained shall be construed as expressly or impliedly granting any right or license whatsoever to the Receiving Party under any patent, patent application or other proprietary right now or hereafter owned or controlled by the Disclosing Party. Without limiting the foregoing, SpinCo acknowledges that Parent is not granting any right or license, express or implied, to SpinCo under this Agreement or otherwise in connection with the supply of Product as contemplated under this Agreement with respect to any intellectual property owned or controlled by Parent.

9.10 Injunctive Relief. If a Party actually breaches, threatens to breach, or would inevitably breach the terms of this ARTICLE 9, such Party acknowledges that the breach may cause the other Party irreparable harm for which a remedy at Law alone may be inadequate. In such a case, the aggrieved Party is entitled to apply for injunctive relief without any requirement to post a bond or other security or proof of damages.

9.11 Notification of Unauthorized Access. The Receiving Party shall (i) promptly notify the Disclosing Party upon its becoming aware of any unauthorized possession, use, or knowledge of any Confidential Information by any person, any attempt by any person to gain possession of Confidential Information without authorization, or any attempt to use or acquire knowledge of any Confidential Information without authorization (collectively, "Unauthorized Access") and (ii) cooperate with the Disclosing Party, and accept and implement the Disclosing Party's reasonable recommendations, in any investigation, litigation and prevention of reoccurrences of any Unauthorized Access.

9.12 No Limitations of Rights. For the avoidance of doubt, nothing in this Agreement is intended to modify, limit or restrict the rights and obligations of the Parties and their Affiliates, as applicable, under the Separation and Distribution Agreement or any of the other documents to be entered into as contemplated thereby.

ARTICLE 10
COVENANTS OF SPINCO

10.1 Compliance with Laws; Required Notices. SpinCo shall comply with all applicable Laws and orders of any governmental authority in connection with the performance of this Agreement and the manufacture, marketing, sale and distribution of SpinCo Products. Without limiting the foregoing, SpinCo shall give all notices required in connection therewith.

10.2 Safety Laws. Without limitation of Section 10.1, SpinCo hereby acknowledges and agrees that many jurisdictions, including the United States, have in effect laws, rules and/or regulations, including the Needlestick Prevention Act in the United States (the "Safety Laws") mandating or recommending the use of protection technologies in connection with drug delivery devices and containers (collectively, the "Safety Products"). SpinCo has been and will be solely responsible for making its own analysis of such Safety Products and compliance with such Safety Laws.

10.3 Product Testing and Validation. All Products supplied by Parent under this Agreement are supplied on the condition that it is the sole responsibility and duty of SpinCo to evaluate, test and validate Products, through stability studies and otherwise, to assure that the Products are compatible and appropriate for use with the applicable SpinCo Products, including SpinCo's processing and packaging methods. SpinCo is solely responsible for assuring the sterility of the SpinCo Product (including the Product) when ultimately sold or distributed by SpinCo.

10.4 Validating Processes. SpinCo also has been and will be solely responsible for designing and validating its processes relating to or affecting the Product and SpinCo Product, including all such processes relating to the filling, handling, storing, or packaging of Product or SpinCo Product by SpinCo and its contractors.

10.5 Non-Conforming Use. SpinCo shall not, and shall ensure that its Affiliates and third party manufacturers of SpinCo Products do not, engage in any Non-Conforming Use with respect to any Product. SpinCo shall be responsible for any breach by any such Affiliate or manufacturer of such restrictions. If, notwithstanding the foregoing, SpinCo or any of its Affiliates or third party manufacturers, or transferees of SpinCo Product from any of the foregoing, engages in a Non-Conforming Use, SpinCo shall, as between Parent and SpinCo, assume all risk and responsibility associated with such Non-Conforming Use.

10.6 Compliance with Export Laws and Regulations. The Products are subject to the laws and regulations of the United States, including the U.S. Export Administration Regulations (collectively, "U.S. Laws"), and accordingly:

(a) In conducting its activities under this Agreement, including directly or indirectly selling, reselling, diverting, leasing, disclosing, transferring, exporting or reexporting (collectively, "Transferring") any Products or SpinCo Products, as applicable, SpinCo agrees to comply fully with all applicable U.S. Laws as well as all applicable export control laws and regulations of any other foreign government (collectively, "Export Control Laws").

(b) SpinCo expressly agrees that it shall not directly or indirectly Transfer Products or SpinCo Products to any destination, entity or individual in violation of any Export Control Laws.

(c) SpinCo is responsible for obtaining any necessary export authorizations under the Export Control Laws with respect to the Transfer of Products or SpinCo Products.

(d) SpinCo attests that the Products and SpinCo Products will not be used directly or indirectly in the development, production or proliferation of weapons of mass destruction (nuclear, chemical, or biological) or missile delivery systems, and/or in terrorist activities. Further, SpinCo will comply with all applicable U.S. Laws, including Part 744 of the U.S. Export Administration Regulations, and other government laws and regulations restricting exports to Persons or countries engaging in any of the above activities. It is SpinCo's responsibility to ensure that any party to which it Transfers Products or SpinCo Products is not involved in any such activities.

(e) SpinCo agrees that it will comply with all conditions and destination control statements set forth on the invoice, bill of lading or other documents accompanying the shipment of Products and will notify its Representatives, agents and distributors, customers, and any other person to which it transfers Products or SpinCo Products of the restrictions set forth in this Section 10.6.

10.7 Customer Complaints. If SpinCo receives a complaint from a customer or user with respect to any SpinCo Product, which complaint appears to have a connection to a Product incorporated into such SpinCo Product, SpinCo will promptly provide notice thereof to Parent and cooperate with Parent to fully evaluate the complaint and its related circumstances. The Parties shall cooperate reasonably in responding thereto.

ARTICLE 11
INDEMNIFICATION

11.1 SpinCo's Indemnification. Parent shall indemnify, defend and hold harmless the SpinCo Indemnitees from and against any and all Third-Party Claims to the extent arising out of or relating to: (i) any breach of this Agreement by Parent or its Affiliates or Representatives; (ii) any actual or alleged infringement or violation of any patent, trade secret, or other intellectual property or proprietary right of any third party as a result of Parent's manufacturing process with respect to any Product, except to the extent that such infringement or violation arises from Parent's use of information, technology or instructions provided by a SpinCo Indemnitiee; or (iii) any bodily injury or death resulting from the Nonconformance (including any Latent Nonconformance) of any Product, except, in each case ((i) through (iii)), to the extent that SpinCo is obligated to indemnify Parent for such Claims pursuant to Section 11.2.

11.2 Parent's Indemnification. SpinCo shall indemnify, defend and hold harmless the Parent Indemnitees from and against any and all third-party Claims to the extent arising out of or relating to: (i) any breach of this Agreement by SpinCo or its Affiliates or Representatives; (ii) any Non-Conforming Use; (iii) the sale, distribution, supply, use or operation of any SpinCo Product, including any claims resulting from (a) filling, storing, packaging, testing, using or selling any SpinCo Product or relating to the adequacy of the labeling, warnings and instructions with respect to any SpinCo Product, or (b) any actual or alleged infringement or violation of any patent, trade secret, or other intellectual property or proprietary right of any third party as a result of the development or manufacture of a SpinCo Product; or (iv) any needlestick injury or similar damage sustained or alleged by any Person involved in the handling, shipping, manufacture, assembly, sale, distribution, supply, use or operation of any Product (on or after delivery of such Product EXW as set forth in Section 5.1) or any SpinCo Product and/or any failure or alleged failure of the Product, any SpinCo Product or the assembly, selling, distribution or use of either of the foregoing to comply with any Safety Law then in effect, including any recall or removal of any Product, any SpinCo Product or any component thereof ordered as a result of any such alleged failure to comply, except, in each case ((i) through (iv)), to the extent that Parent is obligated to indemnify SpinCo for such Claims pursuant to Section 11.1.

11.3 Indemnification Procedures. Upon the filing of any such Claim or suit, the Indemnitiee shall promptly notify the Indemnifying Party thereof, shall give full information and reasonable assistance in the defense or settlement of such Claim or suit and shall permit such Indemnifying Party, at its cost, to control the defense of such Claim or suit; *provided, however*, that the Indemnitiee may, at its own expense, retain such additional attorneys as it may deem necessary; and *provided*, *further*, that any delay in providing such notice shall not relieve the Indemnifying Party of any of its obligations under this ARTICLE 11 except to the extent the Indemnifying Party is materially prejudiced by such delay. The Indemnifying Party and its attorneys shall permit the Indemnitiee's attorneys to reasonably observe and/or participate in the defense of such Claims or suits. The Indemnifying Party shall have the right, after consultation with the Indemnitiee, to resolve and settle any such Claims or suits, *provided* that, in no event may the Indemnifying Party compromise or settle any such Claim in a manner that admits fault or negligence on the part of the Indemnitiee, does not contain an applicable release of Claims, or includes injunctive relief or any damages other than monetary damages, in each case, without the prior written consent of the Indemnitiee. The Indemnifying Party shall not be responsible for any settlement or other disposition or agreement reached with respect to any such Claim or suit unless the Indemnifying Party shall have given its prior written consent with respect to such settlement or other disposition or agreement.

11.4 Third-Party Claims Only. For the avoidance of doubt, the Parties acknowledge and agree that the indemnity provisions under this ARTICLE 11 apply solely to third-party claims, judgments, damages, losses, liabilities, suits, costs, and expenses (including the reasonable attorneys' fees and court costs of such third party) and shall not apply to any direct claims that either Party may have against the other Party.

ARTICLE 12
REPRESENTATIONS AND WARRANTIES; LIMITATION OF LIABILITY

12.1 General Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date as follows:

(a) Such Party (i) has the power and authority and the legal right to enter into this Agreement, and (ii) has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) Such Party (i) is duly formed and in good standing under the Laws of the jurisdiction of its formation and (ii) has the power and authority and the legal right to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation of such Party and is enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency or other similar Laws of general application affecting the enforcement of creditor rights and judicial principles affecting the availability of specific performance and general principles of equity, whether enforceability is considered in a proceeding at law or in equity.

(d) The execution and delivery of this Agreement and the performance of such Party's obligations hereunder (i) do not and will not conflict with or violate any requirement of applicable Laws or any provision of the articles of incorporation, bylaws or any other constitutive document of such Party and (ii) do not and will not conflict with, violate, or breach, or constitute a default or require any consent under, any contract or order by which such Party is bound, except, in the case of subsection (ii) of this section (d), for such conflicts, violations, breaches and defaults, and such consents the failure of which to obtain, would not materially and adversely affect the ability of such Party to perform its obligations under this Agreement.

12.2 Covenant. Each Party shall (i) comply in all material respects with all applicable Laws related to such Party's activities to be performed under this Agreement and (ii) obtain and maintain all necessary consents of all governmental authorities required to be obtained by such Party in connection with the performance of its obligations hereunder.

12.3 DISCLAIMER. THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS ARTICLE 12, TOGETHER WITH THE LIMITED PRODUCT WARRANTY SET FORTH IN SECTION 7.1, SHALL BE IN LIEU OF ALL OTHER WARRANTIES, AND EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PARENT EXPRESSLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES REGARDING THE PRODUCTS EXCEPT FOR THE LIMITED PRODUCT WARRANTY SET FORTH IN SECTION 7.1. EACH OF SPINCO AND PARENT HEREBY ACCEPTS SUCH DISCLAIMERS.

12.4 EXCEPT WITH RESPECT TO A BREACH OF EITHER PARTY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT REGARDING CONFIDENTIAL INFORMATION (INCLUDING, IN THE CASE OF SPINCO, BREACH OF ITS OBLIGATIONS REGARDING RESTRICTED CONFIDENTIAL INFORMATION), THIRD PARTY CLAIMS UNDER SECTION 11.1 OR 11.2, NEITHER PARTY SHALL BE LIABLE UNDER THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, PUNITIVE, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING LOSS OF ACTUAL OR ANTICIPATED PROFITS OR REVENUES, LOSS BY REASON OF SHUTDOWN, LOSS OF USE, LOSS OF ACCRUING INTEREST, NONOPERATION OR INCREASED EXPENSE OF MANUFACTURING OR OPERATION, DELAY, OR ANY DAMAGES ARISING IN CONNECTION WITH THE RECONSTRUCTION OF OR LOSS OF OTHER PROPERTY OR EQUIPMENT OR ANY LOSS OF REPUTATION OR PUBLIC IMAGE. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 11.1 OR TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF PARENT OR ANY OF ITS AFFILIATES, PARENT SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING FROM (a) ANY NON-CONFORMING USE OF A PRODUCT, (b) CLAIMS OF THIRD PARTIES FOR INJURY, DEATH OR PROPERTY DAMAGE SUFFERED AS A RESULT OF THE USE OF ANY PRODUCT OR SPINCO PRODUCT, OR (c) FAILURE TO WARN, OR TO ADEQUATELY WARN, AGAINST THE DANGERS OF, OR FAILURE TO INSTRUCT, OR TO ADEQUATELY INSTRUCT, ABOUT THE SAFE AND PROPER USE OF, ANY SPINCO PRODUCT; PROVIDED THAT, FOR CLARITY, IN NO EVENT SHALL PARENT HAVE ANY LIABILITY FOR A SPINCO PRODUCT THAT DOES NOT CONTAIN A PRODUCT.

12.5 NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY SET FORTH IN THIS AGREEMENT, THE MAXIMUM LIABILITY OF PARENT IN RESPECT OF THIS AGREEMENT FOR ALL CLAIMS, WHETHER IN CONNECTION WITH A WARRANTY CLAIM, A RECALL OR REMOVAL (SUBJECT TO SECTION 8.7), AN INDEMNITY CLAIM UNDER ARTICLE 11 OR OTHERWISE, A COMBINATION THEREOF, OR OTHERWISE AND WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY, A COMBINATION THEREOF, OR ANY OTHER THEORY OF LIABILITY OR INDEMNIFICATION, ARISING FROM AN ACT OR OMISSION IN ANY FISCAL YEAR, SHALL NOT EXCEED, IN THE AGGREGATE, AN AMOUNT EQUAL TO [* * *] PERCENT ([* * *]%) OF THE TOTAL REVENUES ACTUALLY RECEIVED BY PARENT FROM SPINCO UNDER THIS AGREEMENT IN THE IMMEDIATELY PRIOR FISCAL YEAR (THE "LIABILITY CAP"); *PROVIDED, HOWEVER*, THAT THE LIABILITY CAP FOR THE FIRST FISCAL YEAR OF THE TERM SHALL BE AN AMOUNT EQUAL TO [* * *] PERCENT ([* * *]%) OF THE TOTAL REVENUES ANTICIPATED TO BE RECEIVED BY PARENT FROM SPINCO UNDER THIS AGREEMENT IN THE YEAR 1 BASED ON THE 2022 BASE FORECAST; AND *PROVIDED, FURTHER*, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY CLAIMS RESULTING FROM PARENT'S INTENTIONAL FAILURE

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TO SUPPLY PRODUCTS (*PROVIDED* THAT PARENT IS REASONABLY ABLE TO SO SUPPLY), GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. EACH PARTY FURTHER ACKNOWLEDGES THAT ANY RIGHT OF RECOVERY BY SUCH PARTY'S INSURER IS HEREBY WAIVED AND SUCH PARTY'S INSURER SHALL NOT HAVE ANY OTHER RECOURSE AGAINST THE OTHER PARTY FOR DAMAGES PAID UNDER SUCH FIRST PARTY'S INSURANCE POLICIES FOR LIABILITIES ARISING IN CONNECTION WITH THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THIS SECTION 12.5 SHALL NOT APPLY WITH RESPECT TO DIRECT CLAIMS FOR NONCONFORMANCE (INCLUDING LATENT NONCONFORMANCE), THE SOLE AND EXCLUSIVE REMEDY FOR WHICH IS SET FORTH IN SECTION 7.4, OR CLAIMS FOR OUT-OF-POCKET COSTS IN CONNECTION WITH A RECALL CAUSED BY NONCONFORMANCE (INCLUDING LATENT NONCONFORMANCE), THE SOLE AND EXCLUSIVE REMEDY FOR WHICH IS SET FORTH IN SECTION 8.7.

ARTICLE 13
TERM

13.1 Term. Subject to the terms and conditions herein, this Agreement shall commence on the Effective Date and shall continue in perpetuity unless and until terminated in accordance with the provisions of this ARTICLE 13 (the "Term").

13.2 Automatic Termination. This Agreement shall terminate automatically, immediately following a thirty-six (36) month wind-down period, if SPINCO submits a forecast pursuant to Section 4.1 for Year 6 on any Fiscal Year thereafter that fails to satisfy any of the applicable Purchase Commitments as set forth in Section 2.2(b)(ii), *provided* that no such automatic termination shall occur if, at the time of such failure, SPINCO is excused from compliance with such Purchase Commitment(s) based on a Major Supply Failure as set forth in Section 6.4.

13.3 Termination for Convenience.

(a) Parent may terminate this Agreement for any reason or no reason by providing at least thirty-six (36) months' written notice to SpinCo, with such termination to be effective no earlier than ten (10) years after the Effective Date.

(b) SpinCo may terminate this Agreement for any reason or no reason any time after the Effective Date by providing at least thirty-six (36) months' written notice to Parent, with such termination to be effective no earlier than five (5) years after the Effective Date.

13.4 Termination for Material Breach. Either Party may terminate this Agreement, upon written notice to the other Party if the other Party materially breaches this Agreement, unless the breaching Party cures such material breach within sixty (60) days of written notice thereof from the non-breaching Party to the breaching Party (which period shall be thirty (30) days in the case of a failure to pay).

13.5 Termination for Bankruptcy. Either Party may terminate this Agreement immediately upon written notice by one Party to the other, if the other Party makes an assignment for the benefit of creditors, has a receiver appointed for it or any of its assets, or files or has filed against it a petition under the Bankruptcy Code of 1978, as amended, 11 U.S.C. § 101 *et seq*., or under any state insolvency laws providing for the relief of debtors, and such petition is not dismissed within sixty (60) days of its filing.

13.6 Termination for Change of Control. In the event that SpinCo consummates a Change of Control, then Parent will have the right to terminate this Agreement in response to the consummation of the Change of Control by SpinCo, which right may be exercised by Parent in its sole discretion. Such termination right will be exercisable once the notice to Parent of the consummation of the Change of Control has been provided (which notice shall be provided promptly).

13.7 Effects of Termination.

(a) The confidentiality and non-use obligations of the Receiving Party with respect to the Disclosing Party's Confidential Information shall survive indefinitely, notwithstanding any termination of this Agreement, for so long as such information continues to satisfy the definition of Confidential Information under this Agreement; *provided* that each Party's confidentiality and non-use obligations under this Agreement with respect to trade secrets of the other Party or its Affiliates shall be perpetual for as long as such information derives independent economic value, actual or potential, from not being generally known to or readily ascertainable through proper means by the public and are the subject of efforts that are reasonable under the circumstances to maintain secrecy.

(b) Promptly following any termination of this Agreement (but no more than ninety (90) days following such termination), SpinCo will, at its sole cost, ship to Parent any and all Cartridges that are in SpinCo's or its Affiliates' or third party manufacturers' possession or control at such time.

13.8 Survival. Upon the effective date of any termination of this Agreement, this entire Agreement shall forthwith become void and all obligations of the Parties (and their respective officers, directors and equity holders) hereunder shall terminate, except that the rights and obligations specified in Sections [•] and those rights and obligations that have accrued prior to termination or expiration, will survive such event; *provided*, *however*, that nothing herein shall relieve any Party from liability for any breach of this Agreement and *provided*, *further*, that no such termination or expiration shall relieve SpinCo of its obligation to purchase Products for which Purchase Orders have been confirmed by Parent.

ARTICLE 14
FORCE MAJEURE

14.1 Excused Delay. Notwithstanding anything to the contrary in this Agreement, any Force Majeure shall not be considered a breach of this Agreement, shall not give rise to a right of termination with respect to a Product SKU under Section 6.4(e) or 13.4, and the time required for performance shall be extended for a period equal to the period of such delay. Force Majeure shall include acts of God, acts of the public enemy, war, terrorism, insurrections, riots, injunctions, pandemics, epidemics, embargoes, fires, explosions, floods, tornadoes, violent wind damage, changes in applicable Law or government orders, or other unforeseeable causes beyond the reasonable control, and without the fault or negligence of, the Party so affected. The Party that is subject to a Force Majeureaffecting this Agreement shall give prompt written notice to the other Party of such Force Majeure and shall take commercially reasonable steps to seek to mitigate the effects of such Force Majeure.

14.2 Notice and Allocation. In addition to and not in lieu of the terms and conditions above, if a Force Majeure causes a shortage of Raw Materials or a shortage of Product, Parent shall equitably allocate such Raw Materials or Product among all of Parent's requirements with respect to such Raw Materials or Products, based on SpinCo's usage and Parent's usage for the twelve (12)-month period prior to such Force Majeure.

ARTICLE 15
MISCELLANEOUS

15.1 Assignment. This Agreement is not assignable, delegable, sublicensable, or otherwise transferable by SpinCo in whole or in part, (including by any transaction that may be deemed to be direct or indirect transfer or assignment by operation of law), without the prior written consent of Parent, which consent may be provided in the sole discretion of Parent. Any such assignment, delegation, sublicense or transfer by SpinCo without Parent's prior written consent will be null, void, and invalid, and the purported assignee, delegee, sublicensee or transferee will not acquire any rights nor assume any duties under this Agreement. Notwithstanding the foregoing, in the event of an assignment by SpinCo with the written consent of Parent, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of SpinCo, provided that any such assignee expressly agrees in writing to be bound by the obligations of SpinCo in this Agreement. This Agreement is not assignable, delegable, sublicensable, or otherwise transferable by Parent to a Third Party in whole or in part; provided that Parent may assign this Agreement in connection with the sale of all of substantially all of Parent's assets to which this Agreement relates if such assignee expressly agrees in writing to be bound by the obligations of Parent in this Agreement.

15.2 Third-Party Rights. Nothing in this Agreement, express or implied, is intended to or shall confer on any third party, any rights, remedies, obligations or liabilities under or by reason of this Agreement or the transactions contemplated hereby.

15.3 Use of Affiliates. Notwithstanding the foregoing, Affiliates of SpinCo may submit Purchase Orders hereunder, and Affiliates or third-party contractors of Parent may perform all or part of the supply obligations of Parent hereunder without the prior written consent of the other Party. Each Party will require and cause any Affiliate performing obligations on its behalf under this Agreement to comply with the terms and conditions of this Agreement.

15.4 Fully Incorporated. This Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements together with any Schedules and/or Exhibits attached hereto and thereto, contain the entire agreement between the Parties hereto with respect to the subject matter of this Agreement, and supersede all previous written or oral negotiations, commitments, transactions, or understandings with respect thereto, whether oral or written, express or implied.

15.5 Modifications. This Agreement may only be modified by a written instrument, executed by duly constituted officers of both Parties hereto.

15.6 Insurance. During the Term and for not less than two (2) years thereafter, each Party shall maintain commercial general liability insurance. This insurance shall include product liability and cover claims arising out of or relating to all activities and products contemplated under this Agreement. Such insurance shall provide a minimum limit of liability of not less than $5,000,000 per occurrence and $15,000,000 in the aggregate, *provided* that such insurance limits shall not limit either Party's legal liability hereunder.

15.7 Relationship. The relationship created by this Agreement shall be strictly that of independent contractors. Neither Party is hereby constituted an agent or legal representative of the other Party for any purpose whatsoever and is granted no right or authority hereunder to assume or create any obligation, express or implied, or to make any representation, warranties or guarantees, except as are expressly granted or made in this Agreement.

15.8 Notice. Any notice required or permitted to be given hereunder shall be sufficient if in writing and (a) delivered in person or by express delivery or courier service, (b) sent by e-mail without receipt of a delivery failure, or (c) deposited in the mail registered or certified first class, postage prepaid and return receipt requested; *provided* that any notice given pursuant to clause (b) is also confirmed by the means described in clause (a) or (c) to such address of the Party set forth below or to such other place or places as such Party from time to time may designate in writing in compliance with the terms hereof. Each notice shall be deemed given when so delivered personally, or sent by electronic transmission, or, if sent by express delivery or courier service one (1) business day after being sent, or if mailed, five (5) business days after the date of deposit in the mail. A notice of change of address shall be effective only when done in accordance with this Section 15.8.

if to Parent:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

if to SpinCo at:

SpinCo
Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel,
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

15.9 Waiver. A waiver by either Party or a breach of any of the terms of this Agreement by the other Party shall not be deemed a waiver of any subsequent breach of the terms of this Agreement.

15.10 Dispute Resolution. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations. Either Party may give the other Party written notice of any dispute hereunder not resolved in the normal course of business. Within thirty (30) days following such delivery of such notice, executives of both Parties shall discuss by telephone, video conference or meeting at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to exchange relevant information, and to attempt to resolve such dispute. If the matter has not been resolved within sixty (60) days following the disputing Party notice, or if the Parties fail to discuss or meet within the thirty (30)-day period, then either Party may pursue any other available remedies in connection therewith. Nothing herein shall prevent a Party from pursuing immediate equitable relief, if not pursuing that relief could lead to irreversible damage or bodily injury to a Party or third party.

15.11 Choice of Law. The rights and obligations of the Parties shall be governed by, and this Agreement shall be interpreted, construed and enforced in accordance with, the laws of the State of New York, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction.

15.12 Choice of Venue. Any judicial proceeding brought against any of the Parties to this Agreement or any dispute arising out of this Agreement or related hereto may be brought in the courts of the State of New York, or in the United States District Court for the Southern District of New York, and, by execution and delivery of this Agreement, each of the Parties to this Agreement accepts the exclusive jurisdiction of such courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the Parties to this Agreement. Each of the Parties to this Agreement agree that service of any process, summons, notice or document by U.S. mail to such Party's address for notice hereunder shall be effective service of process for any action, suit or proceeding in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 15.12.

15.13 Waiver of Jury Trial. Each of the Parties hereto hereby irrevocably waives its right to a jury trial in connection with any action, proceeding or claim arising out of or relating to this Agreement or any transaction contemplated hereby.

15.14 Interpretation. Except as otherwise explicitly specified to the contrary, (a) references to a Section, Article, Exhibit or Schedule means a Section or Article of, or Schedule or Exhibit to this Agreement, unless another agreement is specified, (b) the word "including" (in its various forms) means "including without limitation," (c) references to a particular statute or regulation include all rules and regulations thereunder and any predecessor or successor statute, rules or regulation, in each case as amended or otherwise modified from time to time, (d) words in the

singular or plural form include the plural and singular form, respectively, (e) references to a particular Party include such Party's successors and assigns to the extent not prohibited by this Agreement, (f) "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if," (g) the headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (h) the words "will" and "shall" shall be interpreted to have the same meaning, (i) references to "$" shall mean U.S. dollars, and (j) use of the word "or" shall be interpreted in the inclusive sense commonly attributed to the phrase "and/or." The Parties acknowledge that each Party has read and negotiated the language used in this Agreement. The Parties agree that, because all Parties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any Party by reason of that Party's role in drafting this Agreement.

15.15 Headings. The headings and subheadings herein are inserted for convenience of reference and shall not affect the interpretation of this Agreement.

15.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which once so executed and delivered shall be deemed an original, but all of which shall constitute but one and the same agreement.

15.17 Severability. If any provision of this Agreement is deemed or held to be illegal, invalid, unenforceable or contrary to any laws or regulations, all other provisions will continue in full force and effect, and the Parties, where possible, will substitute for such provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties, or such provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

(Signatures on next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date. Each person who signs this Agreement below represents that such person is fully authorized to sign the Agreement on behalf of the applicable Party.

BECTON, DICKINSON AND COMPANY

By: _____
Name:
Title:

SPINCO

By: _____
Name:
Title:

[Signature Page to Cannula Supply Agreement]

Exhibit 10.15

FORM OF CONTRACT MANUFACTURING AGREEMENT

This Contract Manufacturing Agreement (this "Agreement") is made and entered into as of [•], 2022 (the "Effective Date") by and between Becton, Dickinson and Company, a New Jersey corporation ("BD"), and Embecta Corp., a Delaware corporation ("SpinCo"). Parent and SpinCo are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the board of directors of BD (the "BD Board") has determined that it is in the best interests of BD and its shareholders to create a new publicly traded company that will operate its diabetes care business (the "DC Business");

WHEREAS, in furtherance of the foregoing, the BD Board has determined that it is appropriate and desirable to separate the DC Business from the other businesses of BD (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to shareholders of BD of all of the outstanding shares of capital stock of SpinCo owned by BD (the "Distribution");

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in any activities except in connection with the Separation and the Distribution;

WHEREAS, each of BD and SpinCo has determined that it is appropriate and desirable to set forth certain agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of BD, SpinCo and their respective affiliates following the Distribution; and

WHEREAS, to facilitate the prompt assumption by Customer of all manufacturing activities for the Products, Supplier shall supply the Products and provide related services and manufacturing activities for Customer for a transitional period, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the covenants and promises contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

Capitalized terms used but not defined herein shall have the meaning given to such terms in the Separation and Distribution Agreement. The following capitalized terms shall have the following meanings as used in this Agreement:

1.1 "Agreement" has the meaning set forth in the Preamble.

1.2 "Binding Commitment" has the meaning set forth in the Statement of Work.

1.3 “Business Day” means (a) any day other than a Saturday, Sunday or a day on which banking institutions are authorized or obligated by law to be closed in New York, New York or (b) any day other than any day on which banking institutions are authorized or obligated by law to be closed in the country in which the Facility is located.

1.4 “cGMP” means the then-current Good Manufacturing Practices as defined by the FDA in Title 21 of the Code of Federal Regulations.

1.5 “Change of Control” means with respect to a Party, (a) a merger or consolidation of such Party with a third party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent at least fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a third party, together with its Affiliates, becomes the beneficial owner of fifty percent (50%) or more of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a third party, directly or indirectly, of all or substantially all of such Party’s assets or business to which the subject matter of this Agreement relates.

1.6 “Claim” has the meaning set forth in Section 10.3.

1.7 “Complaint” means any written or oral expression or dissatisfaction relative to the identity, quality, durability, reliability, safety, effectiveness, or performance of a Product including, but not limited to, actual or suspected Product tampering, contamination, mislabeling, or wrong components.

1.8 “Conforming Purchase Order” means a Purchase Order for a given Month that (a) specifies the quantity of Product, by SKU, as set forth for the first Month of the then-current Rolling Forecast Binding Commitment, (b) otherwise complies with the terms of this Agreement, including specifying Product quantities by SKU that, for each Product SKU (i) are equal to or greater than the Monthly Period Product Quantity Minimum, (ii) are integer multiples of the Minimum Lot Size, and (iii) are no greater than the applicable Monthly Period Product Quantity Cap, and (c) specifies a required delivery date that is no earlier than the last day of the Month to which such Purchase Order applies. For the avoidance of doubt, an internal order between the Parties while SpinCo is under the Transition Services Agreement and Logistics Services Agreement shall be deemed a Purchase Order hereunder.

1.9 “Customer” means [BD and its designated subsidiaries] ***OR*** [SpinCo and its designated subsidiaries], as applicable.

1.10 “Effective Date” has the meaning set forth in the Preamble.

1.11 “Facility” has the meaning set forth in the Statement of Work.

1.12 “FDA” means the United States Food and Drug Administration.

1.13 “FDA Approval” means, in respect of the Products, all necessary Regulatory Approvals granted by the FDA for the manufacture, sale and distribution of the Products in the United States.

1.14 “Field Action” has the meaning set forth in Section 9.1.

1.15 “Fiscal Year” means each twelve (12)-Month period between October 1st and September 30th, *provided* that (a) the first “Fiscal Year” of the Term will commence on the Effective Date and end on the first occurrence of September 30th thereafter and (b) the final “Fiscal Year” of the Term will end on the termination of this Agreement. As used in this Agreement, “Year 1” shall mean the first Fiscal Year of the Term, “Year 2” shall mean the second Fiscal Year of the Term, and so forth.

1.16 “Fixed Assets” has the meaning set forth in the Statement of Work.

1.17 “Force Majeure Event” has the meaning set forth in Section 14.8.

1.18 “Governmental Authority” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, taxing, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

1.19 “Implementation Plan” has the meaning set forth in Section 7.4.

1.20 “Inspection Period” has the meaning set forth in Section 4.4(a).

1.21 “Labeling Modifications” has the meaning set forth in Section 8.1.

1.22 “Losses” has the meaning set forth in Section 10.1.

1.23 “Maximum Allowance Purchase Cap” has the meaning set forth in the Statement of Work.

1.24 “Minimum Lot Size” has the meaning set forth in the Statement of Work.

1.25 “Month” means a calendar month; *provided* that the first Month shall commence on the Effective Date and shall end on the last day of the Month in which the Effective Date occurs.

1.26 “Monthly Period Product Quantity Cap” has the meaning set forth in Section 2.2.

1.27 “Monthly Period Product Quantity Minimum” has the meaning set forth in Section 2.2.

1.28 “New Manufacturing Process” means a manufacturing process introduced by Supplier into the manufacture of the Products after the Effective Date without either of (i) Customer’s written request for such manufacturing process or (ii) Customer’s written approval of such manufacturing process.

1.29 “Non-Conforming Purchase Order” has the meaning set forth in Section 4.2(c).

1.30 “Party” or “Parties” has the meaning set forth in the Preamble.

1.31 “Pricing Principles” has the meaning set forth in Exhibit [ ] under the heading “Pricing Principles”.

1.32 “Product Group” has the meaning set forth in the Statement of Work.

1.33 “Product Price” has the meaning set forth in Section 3.1.

1.34 “Products” shall mean the products listed by SKU in the Statement of Work.

1.35 “Purchase Order” means a firm, written order for manufacturing and delivery of Products submitted by Customer to Supplier.

1.36 “Purchased Inventory” means all inventory of finished Products under the heading entitled “Purchased Inventory” in the Statement of Work.

1.37 “Raw Materials” means all raw materials used to make the Product.

1.38 “Regulatory Approval” means any and all clearances and approvals (including supplements, amendments, label expansions, pre- and post-approvals), licenses, registrations, or authorizations of any Governmental Authority that are necessary for the manufacture, distribution, use, and sale of the Products in a regulatory jurisdiction and, for the purpose of the United States, means FDA Approval.

1.39 “Rejection Notice” has the meaning set forth in Section 4.4(a).

1.40 “Representative(s)” means (a) with respect to Supplier: Supplier, its affiliates and each of their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent designated by Supplier to perform all or any portion of its obligations under this Agreement, and (b) with respect to Customer: Customer, its affiliates and each of their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent authorized to receive any Product on behalf of Customer or perform any of Customer’s obligations under this Agreement.

1.41 “Rolling Forecast” has the meaning set forth in Section 4.1.

1.42 “Rolling Forecast Change Parameter” has the meaning set forth in Section 4.1(a).

1.43 “Semi-Binding Commitment” has the meaning set forth in the Statement of Work.

1.44 “Separation and Distribution Agreement” has the meaning set forth in the Recitals.

1.45 "SKU" means, with respect to each Product, such Product's stock keeping unit identifier as identified on the Statement of Work under the heading "[Products]".

1.46 "Specifications" means the specifications for the Products by SKU set forth in the Statement of Work under the heading "[Specifications]".

1.47 "Statement of Work" means the terms and conditions set forth in Exhibit A hereto.

1.48 "Sterilization" means the administration of an agreed upon anti-microbial process.

1.49 "Supplier" means [BD and its designated subsidiaries] ***OR*** [SpinCo and its designated subsidiaries] as applicable.

1.50 "Term" has the meaning set forth in the Statement of Work.

1.51 "Withholding Agent" has the meaning set forth in Section 3.4.

2. PURCHASE AND SUPPLY

2.1 Purchase and Supply. During the applicable Term, Customer agrees to purchase from Supplier, and Supplier agrees to supply to Customer, Products (and, if applicable, related services) in such quantities as may be ordered by Customer pursuant to Purchase Orders as provided in Section 4.2 below (subject, in each case, to the limitations and requirements of Section 2.2), and at such prices as provided in the Statement of Work.

2.2 Order Minimums and Maximums. In accordance with the provisions of Section 4 below, Customer shall place Purchase Orders with Supplier for any given month for an amount of units of Product not less than the amount set forth in the Statement of Work under the heading "Monthly Period Product Quantity Minimum" (the "Monthly Period Product Quantity Minimum") and not more than the amount set forth in the Statement of Work under the heading "Monthly Period Product Quantity Cap" (the "Monthly Period Product Quantity Cap"). Notwithstanding any provision of this Agreement to the contrary, except as mutually agreed by the Parties in writing pursuant to Section 4.2(c), Supplier shall not during any twelve (12)-month period, be required to supply any quantity of any Product Group or Product SKU, as applicable, that is greater than the amount set forth in the Statement of Work under the heading "Yearly Period Product Quantity Cap" for such Product Group or Product SKU, as applicable (the "Yearly Period Product Quantity Cap"). For the avoidance of doubt, the Purchased Inventory purchased by Customer under this Agreement shall not count towards any Monthly Period Product Quantity Minimum, any Monthly Period Product Quantity Cap or any Yearly Period Product Quantity Cap.

2.3 Manufacturing Activities. Except as otherwise contemplated by the Statement of Work, Supplier shall be responsible for the procurement of Raw Materials and the manufacturing, labeling, assembly, packaging and Sterilization (if applicable) in accordance with the applicable Specifications, and delivery of Products in accordance with the Statement of Work.

2.4 Performance through Representatives. Except as otherwise contemplated by the Statement of Work, Customer acknowledges and agrees that Supplier will at the Effective Date be performing and may continue to perform all or part of its obligations under this Agreement itself or through one or more of its Representatives or third party contractors; *provided, however*, that if Supplier desires to perform any obligation under this Agreement (including Sterilization) through a Representative or third party contractor that is not performing such activity as of the Effective Date, then Supplier shall first obtain Customer's prior written consent, such consent not to be unreasonably withheld, delayed or conditioned; and, *provided further*, that Supplier shall remain responsible for any of its obligations under this Agreement that are performed by its Representatives or third party contractors. For the avoidance of doubt, each Party's right to assign this Agreement in whole or in part shall be subject to Section 14.1.

2.5 Standards. Supplier shall (a) use reasonably qualified personnel in connection with manufacturing the Products for Customer and perform such manufacturing activities in a competent and workmanlike manner consistent with prevailing industry standards and in material compliance with applicable laws, the terms of this Agreement, the Statement of Work and the Specifications, and (b) obtain and maintain all material licenses, permits or approvals required by applicable laws in connection with the manufacture of Products for Customer, including permits related to the Facility. Except as may be required to comply with applicable laws (in which case Supplier shall supply Customer with at least ninety (90) days advance written notice), Supplier shall not amend, change or supplement (i) the Specifications, (ii) the processes and procedures for manufacturing the Products, or (iii) the Facility, in each case without Customer's prior written consent.

2.6 Excused Performance. Notwithstanding any provision of this Agreement to the contrary, Supplier shall have no obligation to manufacture, sell or supply Products (whether at all or in such quantities as Customer submits in Purchase Orders) or to make deliveries hereunder, and shall not be in breach of this Agreement, to the extent Supplier is prevented from performing such activities as a result of (a) Customer's failure to perform its obligations under this Agreement, (b) Customer's failure to reasonably promptly approve an alternative supplier of Raw Materials or service provider following Supplier's written request for such approval made either (i) pursuant to Section 2.4 or (ii) for purposes of complying with changes in applicable law.

2.7 Capacity Increases. The Parties acknowledge and agree that for each Product Group and Produce SKU, as applicable, Supplier shall not be required to supply an amount of Product in any Fiscal Year in excess of the amount set forth under the heading Maximum Allowable Purchase Cap in the Statement of Work.

3. PRICING; BILLING

3.1 Pricing. For each unit of a Product SKU supplied by Supplier and delivered to Customer hereunder (with the exception of the Purchased Inventory), Customer shall pay to Supplier the corresponding per unit price set forth on the Statement of Work (the "Product Price"), subject to adjustment in accordance with Section 3.2 and Section 8.1, and which shall take into account any adjustments resulting from changes in the cost of manufacturing such Product as set forth in the Statement of Work. No consideration or amount shall be payable in respect of the Purchased Inventory.

3.2 Other Fees. Without limiting Customer's obligations to pay or reimburse Supplier for any costs set forth in this Agreement, Customer shall pay Supplier the fees described in this Section 3.2.

(a) *Non-Recurring Fees.* Customer shall pay Supplier the following when and as the same are incurred by Supplier:

(i) special, one-time or extraordinary costs incurred by Supplier to comply with changes in applicable law (for the avoidance of doubt, to the extent allocable to the manufacturing, labeling, assembly, packaging, Sterilization (if applicable) and delivery of Products); *provided* that, to the extent permitted by applicable law, Supplier shall provide Customer with prior written notice of such proposed additional costs, including a reasonably detailed description of such costs;

(ii) all costs (including additional labor or third-party service charges) associated with the installation and testing of new capital equipment ordered and installed pursuant to Section 7.3, including molds, molding presses, packaging and ancillary equipment in each case necessary for the continued manufacture of the Products during the Term (for the avoidance of doubt, to the extent allocable to the manufacturing, labeling, assembly, packaging, Sterilization (if applicable) and delivery of Products);

(iii) when and as the same are incurred by Supplier: (A) any out-of-pocket costs and expenses incurred by Supplier in connection with inspections or audit by any Governmental Authority with respect to any Product, including any audit fees charged by Governmental Authorities for audits or inspections of any Facility, in each case to the extent relating to the manufacture, assembly, packaging, labeling, Sterilization (if applicable) and delivery of any Product; and (B) all out-of-pocket costs and expenses incurred by Supplier in connection with Field Actions or Complaints, to the extent such costs are not expressly required to be borne by Supplier pursuant to Section 9;

(iv) where either (A) Supplier is required by applicable law to obtain a new third party supplier of Raw Material or service provider or re-qualify an existing third party supplier or service provider, (B) a current supplier of Raw Material discontinues supplying such Raw Materials, experiences a supply shortage, supply failure or force majeure event, or ceases to do business (whether by means of bankruptcy or otherwise), or (C) the Parties agree in writing that Supplier will obtain a new third party supplier of Raw Material or service provider or re-qualify an existing third party supplier or service provider, in each case Customer shall reimburse Supplier for all costs in connection therewith (including the costs of any new services, engineering fees and qualification costs); and

(v) any costs or expenses incurred by Supplier associated with any delays caused by Customer, including delays caused by labeling changes pursuant to Section 8.

3.3 Billing. Either within thirty (30) days after the end of each Month or upon delivery of Products, Supplier shall send Customer one or more invoices setting forth in reasonable detail the aggregate amount owed by Customer to Supplier for Products delivered to Customer during such Month, with a breakdown showing: (a) the quantity of Products delivered to Customer during

such Month by Product SKU based on accepted Purchase Orders, pursuant to Section 4.5, or as otherwise mutually agreed, (b) the unit and aggregate Product Price for each Product, (c) all applicable taxes (as a separate line item); and (d) any other amounts owed by Customer to Supplier under this Agreement that became due and payable during such Month. Customer shall pay Supplier within ninety (90) days of receipt of the applicable invoice.

3.4 Taxes. All charges under this Agreement are exclusive of any taxes, including sales, use, VAT, consumption, excise, withholding, or similar taxes (other than taxes based on Supplier's or its affiliate's net income) that may apply to the transactions contemplated by this Agreement. Customer shall be responsible for paying all such taxes. Supplier may collect such Taxes from Customer as required by law. If any payments under this Agreement are subject to withholding or deduction, the applicable party (the "Withholding Agent") shall be entitled to withhold or deduct such amounts as required by applicable law, *provided* that prior to such withholding or deduction, the Withholding Agent shall give written notice of its intention to withhold or deduct and allow the other party sufficient time to furnish any required documentations and forms to minimize or eliminate such withholding or deduction. The Withholding Agent shall pay all such withheld or deducted amounts to the applicable governmental authority. For the avoidance of doubt, the provisions of this Section 3.4 shall apply to affiliates of Supplier and Customer as if such affiliate were Supplier or Customer, as applicable.

4. ORDERS; DELIVERY; PERIODIC REVIEWS

4.1 Forecasts.

(a) On or before the fifteenth (15th) day of each Month, Customer shall furnish Supplier with a rolling forecast of the number of units of each Product (on a Product Group-by-Product Group basis or Product SKU-by-SKU basis as set forth in the applicable Statement of Work) that Customer reasonably expects to order for the following twelve (12) Months beginning with the following Month (the "Rolling Forecast"). The initial Rolling Forecast, which has been initially agreed by the Parties, is attached to the applicable Statement of Work. Each Rolling Forecast must comply with Customer's Monthly Period Product Quantity Minimum commitment with respect to each Product Group or Product SKU, as applicable and must forecast quantities of Product in integer multiples of the Minimum Lot Size for each applicable Product Group or Product SKU, as applicable, but may not, for any forecasted Month, exceed the Monthly Period Product Quantity Cap with respect to any Product Group or Product SKU, as applicable. Except as otherwise set forth in the Statement of Work, the first three (3) Months of each Rolling Forecast shall be binding upon Customer and Supplier (each, a "Binding Commitment") and each of Months four (4) through twelve (12) of each Rolling Forecast may be increased or decreased by Customer by no more than the percent set forth in the applicable Statement of Work (under the heading "Rolling Forecast Change Parameter") of the number of units of such Product (on a Product Group-by-Product Group basis or Product SKU-by-SKU basis as set forth on the applicable Statement of Work) for the same Month in the immediately preceding submitted Rolling Forecast (each, a "Semi-Binding Commitment"). To the extent that a Rolling Forecast is not communicated by the Customer by fifteenth (15th) day of the then-current Month, the Parties agree that the Rolling Forecast for such Month shall be established by giving effect to the most recent Rolling Forecast and substituting the remaining Months with the quantity set forth in the Monthly Period Product Quantity Cap for any remaining Months of the most recent Rolling Forecast, subject, in all cases, to the limitations and requirements set forth in Section 2.2 and this Section 4.1.

(b) With respect to each Fiscal Year during the Term following Year 1, on or before July 31 of the prior Fiscal Year, Customer shall submit to Supplier an initial forecast of orders by Product for such Fiscal Year, and shall be deemed to be the Rolling Forecast for the period starting on October 1 of such Fiscal Year and ending on September 30 of such Fiscal Year. Supplier shall update each and every Product SKU pricing, consistent with the Pricing Principles, by August 31st prior to the upcoming Fiscal Year, which shall be the pricing for the next Fiscal Year. Such updated price list shall be deemed to supersede and replace the prior pricing in each Statement of Work. The new pricing shall be effective on October 1 of the applicable Fiscal Year.

4.2 Purchase Orders.

(a) On the Effective Date, Customer shall place a Purchase Order for Products in the Purchased Inventory, which Customer shall acquire at no cost. For clarity, no Purchased Inventory included in such initial Purchase Order shall be counted against any Monthly Period Product Quantity Minimum, Monthly Period Product Quantity Cap or Yearly Period Product Quantity Cap required hereunder, and the Purchased Inventory shall not be subject to the Minimum Lot Size or considered part of any Rolling Forecast.

(b) Not less than thirty (30) days prior to the first day of each Month, Customer shall submit a Conforming Purchase Order for the quantity of Products set forth for the first Month of the then-current Binding Commitment. All Conforming Purchase Orders shall become binding on Supplier and Customer when received by Supplier, subject to Section 2.2.

(c) Customer may, from time to time, in Customer's discretion, place a Purchase Order for Products that is not a Conforming Purchase Order (a "Non-Conforming Purchase Order"). To the extent the quantity of a Product set forth for any Month on a Non-Conforming Purchase Order (when combined with the quantity of such Product set forth in the Conforming Purchase Order for such Month submitted pursuant to Section 4.2(b)) exceeds the Binding Commitment in such month or the Monthly Period Product Quantity Cap for such Product, the Parties will work together in good faith to attempt to meet Customer's demand, subject to capacity limitations, the availability of Raw Materials and the availability and capacity of Supplier's third party service providers; *provided* that Supplier shall have no obligation to meet such additional demand or otherwise supply Product pursuant to any Non-Conforming Purchase Order. Notwithstanding anything provided herein to the contrary, the Parties acknowledge that in the event that BD, as Customer hereunder, places a Conforming Purchase Order to SpinCo, as Supplier hereunder, that SpinCo cannot satisfy solely based on BD's inability or limitations to supply Raw Material under any Ancillary Agreement (taking into consideration, among other things, SpinCo's ability to procure the substantial equivalent of such Raw Materials from third parties), then SpinCo, as Supplier hereunder, shall not be in breach of this Agreement solely because of SpinCo's inability to fulfil such Conforming Purchase Order, and only for the duration of BD's inability or limitations to supply Raw Material under any Ancillary Agreement, and the Parties shall work in good faith to resolve such issues.

(d) The terms and conditions of each Purchase Order (including any Conforming Purchase Order and Non-Conforming Purchase Order) shall be consistent with this Agreement and the Statement of Work, and to the extent any Purchase Order, invoice, acknowledgment or other form used by Supplier or Customer contains any provisions that are in addition to or contrary to the provisions of this Agreement or the Statement of Work, such additional or contrary provision shall have no force or effect and the terms of this Agreement or the Statement of Work, as applicable, shall govern (unless otherwise agreed to by the Parties in writing).

(e) Any portion of or all of a Purchase Order (including any Conforming Purchase Order and Non-Conforming Purchase Order) that is not submitted in accordance with this Agreement shall be deemed rejected by Supplier unless accepted by Supplier by written notice provided by Supplier to Customer within fifteen (15) days of receipt by Supplier of such Purchase Order. For clarity, any rejected Purchase Order shall not constitute a Purchase Order in satisfaction of Customer's obligation to purchase the Monthly Period Product Quantity Minimum.

4.3 Delivery; Title; Risk of Loss. Delivery terms for Products shall be FCA warehouse. Title and risk of loss of the Products shall pass to Customer upon receipt by Customer's carrier.

4.4 Product Inspection; Acceptance.

(a) Customer shall have the right to inspect any shipment of Products for damage, failure to provide the quantity provided in a Purchase Order or other non-conformity with Supplier's warranties set forth in Section 5.1, in each case at the time of delivery pursuant to Section 4.3, within the period of sixty (60) days from the date of delivery of such Products (the "Inspection Period"), *provided*, *however*, with respect to any non-conformity with Supplier's warranties set forth in Section 5.1 that is not reasonably detectable, the Inspection Period shall be extended to the date that is the earlier of (a) fifteen (15) days after the date such non-conformity is first detected. Claims on account of non-conformity, loss or damage to Product shall be made by Customer in writing within the applicable Inspection Period (a "Rejection Notice"). Any such Rejection Notice shall be accompanied by reasonable supporting evidence that shows that there was a default in the quantity of the Product delivered to Customer by Supplier or that some or all of the Product delivered to Customer by Supplier was not manufactured in accordance with the applicable Specifications or otherwise breaches Supplier's warranties set forth in Section 5.1, in each case at the time of delivery pursuant to Section 4.3. If no Rejection Notice is delivered by Customer within the applicable Inspection Period, the Product shall be deemed accepted by Customer.

(b) Customer's sole remedy with respect to rejected Product shall be cancellation of the Purchase Order with respect to the rejected Products and shipment of replacement Products in the same quantities as provided in the previously rejected Products Purchase Order. Supplier shall resupply any replacement Products within twelve (12) weeks of Supplier's receipt of an undisputed Rejection Notice; *provided* that, in each case, Supplier shall use commercially reasonable efforts to supply such replacement Products before the end of such twelve (12)-week period, to the extent Supplier is able to do so based on Supplier's available Raw Materials and manufacturing capacity. Supplier shall pay expenses related to the proper destruction of non-conforming Products to the extent such expense is reasonably necessary. At Supplier's written request, Customer shall return to Supplier, at Supplier's sole cost and expense, any non-conforming Products in accordance with the written instructions provided by Supplier to Customer.

4.5 Failure to Purchase Minimum Quantities. After the end of each applicable period during the Term, Supplier may review the quantities of each Product Group or Product SKU, as applicable, ordered by Customer pursuant to Purchase Orders during such period. If such quantities are below the Monthly Period Product Quantity Minimum or the applicable Binding Commitments for the applicable Product Groups or Product SKU, as applicable, Supplier may, after delivering to Customer the quantity of associated Products, invoice Customer for such shortfall, such invoice price to be calculated as the amount equal to the Product Price multiplied by the difference between (a) the greater of the applicable Binding Commitments or Monthly Period Product Quantity Minimum for the applicable period and (b) the number of units actually ordered pursuant to Purchase Orders for such period, in each case with respect to the applicable Product Groups and Product SKUs, as applicable. Customer shall pay such invoice within ninety (90) days of receipt, *provided* that the Products are or were actually delivered and conform to the requirements of this Agreement.

5. MANUFACTURE

5.1 Product Warranty.

(a) Supplier represents and warrants that:

(i) The Products shall, as applicable, be manufactured, packaged, labeled, handled, stored, transported, Sterilized and delivered (i) in accordance with applicable law and Section 4.3 in the quantities set forth in the applicable Purchase Order and (ii) consistent in in all material respects with the Specifications (for the avoidance of doubt, the warranty with regards to Sterilization is only a warranty that an agreed upon process for anti-microbials has been administered to the Products, and not a warranty as to the results of any such process);

(ii) The warranties set forth in this Section 5.1 shall not apply to the extent any claim arises after delivery to Customer in accordance with Section 4.3 as a result of (a) any Product having been misused, neglected, improperly handled, altered, abused or used for any purpose other than the one for which it was manufactured or other conditions beyond the control of Supplier or its Representatives, (b) any damage or defects caused by unauthorized repair or use of unauthorized parts or components or any other condition beyond the control of Supplier or its Representatives, (c) any specifications or instructions provided to Supplier by Customer or any breach by Customer of its obligations under this Agreement, and (d) any damage or defect as a result of the actions or inactions of Customer or its Representatives.

(b) Customer’s sole and exclusive remedy for, and Supplier’s sole obligation under the warranty set forth in Section 5.1(a)(i) are set forth in Section 4.4(b).

THE WARRANTIES SET FORTH IN SECTION 5.1 SHALL BE IN LIEU OF ALL OTHER WARRANTIES, AND SUPPLIER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. WITHOUT LIMITING THE FOREGOING, SUPPLIER EXPRESSLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES REGARDING THE PERFORMANCE, SAFETY, AND EFFICACY OF THE PRODUCTS, WHETHER ALONE OR IN COMBINATION WITH ANY OTHER PRODUCTS OR COMPONENT(S). CUSTOMER HEREBY ACCEPTS SUCH DISCLAIMERS.

5.2 Product Issues. Supplier will promptly, and in any case no later than five (5) Business Days, notify Customer of any lot failure, manufacturing problems or similar issues that may impact Customer's ability to distribute Products to its customers.

5.3 Reliance on Customer Instructions and Performance. In performing its obligations under this Agreement, Supplier will be entitled to rely upon any written instructions or written authorizations provided to Supplier by Customer's Representatives. Supplier will be relieved of its obligation to perform any obligation under this Agreement to the extent it is prevented from performing such obligation by (a) its compliance with such written instructions or (b) Customer's failure to perform its obligations under this Agreement.

5.4 Product Combination Disclaimer. Supplier expressly disclaims any representations or warranties regarding the performance, safety and efficacy of the Product to the extent such Product is combined with any drug or compound produced by a third party, and Customer acknowledges and agrees to such disclaimer. Supplier shall not be liable to Customer for any damages claimed by any Person due to the use of any Product to the extent such damages resulted from any compound or drug manufactured, produced or otherwise supplied by any third party, unless any such damages are a result of the gross negligence or willful misconduct of Supplier.

6. PROCUREMENT OF RAW MATERIALS

6.1 Management of Raw Materials. Supplier shall be responsible for procuring Raw Materials, except where otherwise set forth in the Statement of Work.

6.2 Changes. Supplier will promptly notify Customer upon receiving any communication from a supplier with respect to material limitations on production capacity or inventory, or any notice of discontinuation of production of, any Raw Materials that is reasonably likely to have a material impact on the manufacture and supply of Products for Customer.

7. [FIXED ASSETS

7.1 Ownership of Fixed Assets. The Parties acknowledge that the Fixed Assets are owned by Customer, but shall be located in the Supplier Facility and used by Supplier to manufacture the Products hereunder throughout the Term. Supplier will use reasonable care in operating and maintaining the Fixed Assets in an acceptable state of repair and operating efficiency so as to meet the Specifications, and Supplier shall pay for all out-of-pocket costs incurred to perform routine repairs, replacement or maintenance of the Fixed Assets to the extent required as a result of Supplier's gross negligence or willful misconduct.

7.2 Maintenance. Consistent with past practices for the twelve (12) month period immediately prior to the Effective Date, Supplier shall use commercially reasonable efforts to conduct regularly scheduled routine maintenance of the Fixed Assets. By no later than April 1 of each year, commencing April 1, 2023, Supplier shall make available to Customer, upon Customer's thirty (30) days' advance written request a condition report and schedule of budgeted costs of maintenance on such Fixed Assets along with a reasonably detailed maintenance log of any maintenance performed during the prior year. Supplier shall use commercially reasonable efforts to maintain reasonably appropriate insurance coverage with respect to the Fixed Assets. Customer shall be responsible for all costs and expenses related to maintenance and replacement of the Fixed Assets (including the non-routine maintenance and replacement of Fixed Assets), except as set forth herein.

7.3 New Equipment. Supplier may recommend whether and when Customer should purchase new equipment or machinery, including molds, molding presses, packaging, and ancillary equipment relating to the Products, and whether to replace existing equipment or machinery, in each case to the extent reasonably necessary to continue the manufacture of Products under this Agreement. Customer shall be solely responsible for approving, ordering, purchasing and insuring any such equipment or machinery (and the delivery, installation and similar expenses related thereto). Any such equipment or machinery shall be ordered, purchased, and owned by Customer. Notwithstanding the foregoing, Customer shall not order, have delivered or install any equipment in Supplier's Facility without Supplier's prior written consent. Notwithstanding any provision of this Agreement to the contrary, and without limiting the foregoing, Supplier shall have no obligation to manufacture, sell or supply Products (whether at all or in such quantities as Customer submits in Purchase Orders) or to make deliveries to Customer hereunder to the extent Customer fails to purchase, or delays in purchasing, equipment or machinery in accordance with this Section 7.3.

7.4 Relocation. No less than ninety days before the anticipated expiration or termination of the Term, the Parties will cooperate in good faith to develop a plan to manage the relocation of the Fixed Assets to Customer's possession and the transition of production of the applicable Products from Supplier to Customer or Customer's designated Representative (such plan, the "Implementation Plan") after such expiration or termination. During the Term, the Fixed Assets shall remain at the applicable Facility. In all cases, the Parties commit to work together cooperatively and in good faith to minimize any disruption to or interference with Supplier's business, including minimizing the total time required for such relocation and transition. Customer shall pay for all relocation, disassembly, rigging, packing, shipping and similar charges for disassembly, removal, transportation, and installation of the Fixed Assets, along with charges for any pre-approved labor charges provided by Supplier in support of the disassembly or removal of such Fixed Assets. Notwithstanding the foregoing, Supplier shall manufacture each Product supplied under this Agreement at the Facility and manufacturing of Products may not be relocated except as otherwise provided herein or consented to in writing by each Party.

7.5 Facilities; Access. Following the expiration of the Term, Supplier shall reasonably cooperate with Customer, at Customer's sole cost and expense, to transfer and deliver any documents, correspondence or other data to effect the transfer of any manufacturing process knowledge (excluding, for the avoidance of doubt, any intellectual property, which shall be transferred (if at all) in accordance with the terms of the Separation and Distribution Agreement

and the Ancillary Agreements) with respect to the Products supplied by Supplier to Customer. In connection therewith, Supplier shall permit one or more employees of Customer with reasonable access to the Facility to observe the manufacture of Products at such times and for such periods as the Parties mutually agree, acting reasonably and in good faith. Prior to being granted access to the Facility, such employees of Customer shall execute a confidentiality agreement in a form that is reasonably acceptable to Supplier.

7.6 Property Taxes. Customer shall timely file any and all personal property tax returns with respect to the Fixed Assets that are due after the Effective Date, and shall timely pay to the appropriate tax authorities any and all personal property taxes with respect to such Fixed Assets that are due after the Effective Date.][1]

8. LABELING; DESIGN HISTORY FILES

8.1 Labels and Packaging. Supplier shall label and package the Products prior to delivery using such artwork, packaging and labeling as used by Supplier in the manufacture and packaging of the Products as of the date immediately prior to the Effective Date or as otherwise provided in the Statement of Work; *provided* that, if requested in writing by Customer, Supplier shall use commercially reasonable efforts to apply barcodes to any packaging for Product (i.e., any individual packaging and/or exterior cartons pursuant to applicable law) at Customer's expense. In the event of any requested or required artwork, packaging, or labeling modifications pursuant to this Section 8.1 ("Labeling Modifications"), Customer shall reimburse Supplier for any costs and expenses incurred by Supplier in connection with such development or implementation, and to the extent that any such artwork, packaging or labeling change increases Supplier's cumulative cost of manufacturing, assembly, packaging, labeling, Sterilization (if applicable) or delivery of any Product, the Product Price for such Product shall be increased to reflect such cumulative cost increases. Any Labeling Modifications, including the costs noted immediately above, shall be agreed by Supplier and Customer in good faith before such Labeling Modifications are to be implemented.

9. REGULATORY; CUSTOMERS

9.1 Recall. Customer shall control any recall, withdrawal, adverse event or field correction (each, a "Field Action") with respect to any Product. In connection with a Field Action, Supplier shall reasonably cooperate with responding to Customer's requests for information or other assistance, and in otherwise effecting such Field Action. To the extent reasonably possible, Customer shall consult with Supplier before issuing any press release or otherwise making any public statement or making any other public (or non-confidential) disclosure (whether or not in response to an inquiry) regarding any Field Action that directly or indirectly references or implicates Supplier. Customer shall be responsible for communicating with any Governmental Authorities in connection with a Field Action. Customer shall bear any costs and expenses incurred by it and by Supplier in connection with any such Field Action (including with respect to any Field Action caused by any supplier of Raw Materials); *provided*, *however*, that if a Field Action results primarily from Supplier's breach of its warranties under Section 5.1, Supplier shall

[1] To be included for the Dun Laoghaire, Suzhou 3 and Drogheda CMAs/rCMAs.

pay the reasonable out-of-pocket costs incurred by Customer for each such Field Action in connection with Customer's response to any such Field Action, including the cost of shipping, inspecting and sorting Products impacted by such Field Action, which reimbursable costs with respect to any such Field Action shall not, in the aggregate, exceed $1,000,000. The remedies set forth in Section 4.4(b) shall be available to Customer for (a) Products that do not conform with the warranties set forth in Section 5.1 and (b) conforming Products that Customer is required to include in a Field Action involving non-conforming Products pursuant to applicable law. Notwithstanding anything to the contrary in this Agreement, the foregoing shall be Customer's sole and exclusive remedy with respect to a Field Action. Any information of any nature obtained by either Party during any Field Action shall be subject to the provisions of Section 11.

9.2 Compliance with Laws. Supplier shall comply with applicable law with respect to the manufacture of the Products, including cGMP to the extent applicable to the Products, and shall not be required to perform or omit to perform any act required or permitted under this Agreement if such performance or omission would violate the provisions of any such law.

9.3 Safety Laws. Customer hereby acknowledges and agrees that many jurisdictions, including the United States, have in effect laws, rules and/or regulations, including the Needlestick Prevention Act in the United States (the "Safety Laws") mandating or recommending the use of protection technologies in connection with drug delivery devices and containers (collectively, the "Safety Products"). Customer has been and will be solely responsible for making its own analysis of such Safety Products and compliance with such Safety Laws.

9.4 Regulatory Approvals. Subject to the terms of that certain Logistics Services Agreement and that certain Transition Services Agreement, each of even date herewith and by and between the Parties, Supplier shall not be responsible for procuring, maintaining or otherwise handling Regulatory Approvals necessary to manufacture, market and sell the Products, including the completion of any and all international registration documentation. Supplier shall continue to maintain the Regulatory Approvals necessary to manufacture the Products at the Facility.

9.5 Government Inspection; Requests for Information. Supplier shall, pursuant to applicable law, allow the FDA or any other Governmental Authority with jurisdiction over Supplier's manufacture or Customer's marketing and distribution of Product to inspect all areas of the Facility (and, to the extent that Supplier is contractually permitted to allow such access, third-party facilities) utilized by Supplier in the manufacture, testing, packaging, Sterilization, storage and shipment of Products sold under this Agreement, and will reasonably cooperate with such Governmental Authorities. Supplier will notify Customer as soon as is reasonably practicable after it receives notice of an inspection if it relates to any Product. In the event of any such inspection by the FDA or other Governmental Authority (including an inspection by an agency or organization appointed by the FDA or other Governmental Authority), Supplier shall contact Customer to inform Customer of such inspection and of any material non-conformity which may impact the fit, form or function or the regulatory status (510(k) or otherwise) of any of the Products supplied to Customer.

9.6 Complaints; Communications. Customer shall be responsible for handling and addressing all Complaints and customer communications (including general inquiries) concerning any Product. In the event Supplier receives or becomes aware of a Complaint or communication about any Product, Supplier shall promptly notify Customer and refer such Complaint or communication, and any relevant information or documentation obtained with respect thereto, to Customer. Customer shall be responsible for communicating with customers regarding any Complaint about any Product, unless otherwise agreed upon by both Parties during a specific complaint investigation. Each Party shall provide the other Party with the telephone numbers and names of contacts for this purpose. Customer shall be responsible for investigating any Complaint about the Products, making filing determinations with respect to any Complaint, reporting any Complaints to the applicable Governmental Authority, including, for the avoidance of doubt, filing medical device reports and ex-US vigilance reports, implementing any corrective action where necessary, and responding directly to the customer about its complaint, and Customer shall bear all costs associated therewith. Supplier shall cooperate with Customer in connection with any complaint investigation and promptly respond to Customer's requests for information or provide such other assistance as Customer may reasonably request, at Customer's expense.

10. INDEMNIFICATION

10.1 Supplier Indemnification. Subject to the provisions of Section 10.3, Supplier shall defend, indemnify and hold harmless Customer and its Representatives and their permitted successors and assigns with respect to any liability, damage, loss or expenses (including reasonable attorneys' fees and court costs) relating to third party claims (collectively, "Losses") arising out of, relating to, or resulting from: (a) any breach or default by Supplier of any representation, warranty or covenant of Supplier contained in this Agreement, but not including the express warranties provided in Section 5.1(a)(i) (the remedies for which are expressly limited to those set forth in Section 4.4(b), except in the case of fraud, gross negligence or willful misconduct on the part of Supplier); (b) Supplier's failure to comply with the express warranties provided in Section 5.1(a)(i) and (ii), solely to the extent the subject of a third party claim for personal injury or death; (c) the fraud, gross negligence or willful misconduct of Supplier in the course of the performance of its obligations hereunder; or (d) claims that Supplier's conduct of any New Manufacturing Process infringes, misappropriates, or violates any intellectual property rights of third parties.

10.2 Customer Indemnification. Subject to the provisions of Section 10.3, Customer shall defend, indemnify and hold harmless Supplier and its Representatives and their permitted successors and assigns with respect to all Losses arising out of, relating to, or resulting from: (a) any breach or default by Customer of any representation, warranty or covenant of Customer contained in this Agreement; (b) the gross negligence, willful misconduct or fraud of Customer in connection with this Agreement; (c) the use, sale, import, export or exploitation of the Products, except for such indemnification obligations of the Supplier under Section 10.1 or (d) any needlestick injury or similar damage sustained or alleged by any Person involved in the handling, shipping, manufacture, assembly, sale, distribution, supply, use or operation of any Product on or after delivery of such Product.

10.3 Procedure. Promptly after receipt of written notice of the assertion or the commencement of a third party claim asserted against a Party for which the other Party has an indemnification obligation under this Section 10, the indemnified Party shall provide the indemnifying Party with written notice describing an indemnification claim ("Claim") in reasonable detail in light of the circumstances then known and then providing the indemnifying Party with further notices to keep it reasonably informed with respect thereto; *provided*, *however*, that failure of the indemnified Party to provide timely notice or to keep the indemnifying Party reasonably informed as provided herein shall not relieve the indemnifying Party of its obligations hereunder except to the extent that the indemnified Party is materially prejudiced thereby. If any proceeding shall be commenced against any indemnified Party by a third party, the indemnifying Party shall be entitled to participate in such Claim and assume the defense thereof with counsel reasonably satisfactory to the indemnified Party, at the indemnifying Party's sole cost and expense, and the indemnifying Party shall reasonably cooperate with the indemnifying Party, at the indemnifying Party's sole cost and expense, in the defense of any Claim and shall be entitled to participate in any proceeding at its expense, and the indemnifying Party shall not settle such proceeding without the indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed), except such consent shall not be required in the case of any settlement that includes a full and unconditional release of the indemnified Party by the plaintiff or claimant from all liability with respect to the matters that are subject to such Claim. The indemnified Party may participate in the defense of any claim with counsel reasonably acceptable to the indemnifying Party, at the indemnified Party's own expense.

10.4 Limitation of Liability. For the avoidance of doubt, the terms of this Section 10.4 do not apply to claims arising out of the Separation and Distribution Agreement or any other Ancillary Agreement (as defined in the Separation and Distribution Agreement).

(a) EXCEPT FOR (I) CLAIMS PURSUANT TO A BREACH OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION 11, (II) THIRD PARTY CLAIMS FOR WHICH A PARTY HAS AN INDEMNIFICATION OBLIGATION UNDER SECTION 10.1(b) OR SECTION 10.2(b) and (c) AND (III) CUSTOMER'S PAYMENT OBLIGATIONS UNDER SECTION 3, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, BUSINESS INTERRUPTION OR OTHER SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY, ARISING FROM THE PERFORMANCE OF, OR RELATING TO, THIS AGREEMENT REGARDLESS OF WHETHER SUCH PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF, OR THE FORESEEABILITY OF, SUCH DAMAGES.

(b) IN ADDITION, SUPPLIER SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING FROM CLAIMS OF THIRD PARTIES FOR PERSONAL INJURY OR DEATH TO THE EXTENT A RESULT OF THE USE OF ANY PRODUCT, OR FAILURE OF SUPPLIER TO WARN, OR TO ADEQUATELY WARN, AGAINST THE DANGERS OF THE PRODUCTS OR FAILURE OF SUPPLIER TO INSTRUCT, OR TO ADEQUATELY INSTRUCT, ABOUT THE SAFE AND PROPER USE OF THE PRODUCTS, EXCEPT AS CONTEMPLATED BY SECTION 10.1(b) or (c). NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR THE SEPARATION AND DISTRIBUTION AGREEMENT, EXCEPT FOR (I) CLAIMS PURSUANT TO A BREACH OF THE CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION 11, (II) THIRD PARTY CLAIMS FOR WHICH A PARTY HAS AN INDEMNIFICATION OBLIGATION UNDER SECTION 10.1(b), OR SECTION 10.2, (III) CUSTOMER'S PAYMENT

OBLIGATIONS UNDER THIS AGREEMENT, AND (IV) FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY EITHER PARTY, AND, THE MAXIMUM LIABILITY OF A PARTY UNDER THIS AGREEMENT FOR ALL CLAIMS UNDER ANY THEORY OF LIABILITY SHALL NOT EXCEED [●] U.S. DOLLARS ($[●]) IN THE AGGREGATE. CUSTOMER FURTHER ACKNOWLEDGES THAT ANY RIGHT OF RECOVERY (BY SUBROGATION OR OTHERWISE) BY CUSTOMER'S INSURER IS HEREBY WAIVED AND CUSTOMER'S INSURER SHALL NOT HAVE ANY OTHER RECOURSE AGAINST SUPPLIER FOR DAMAGES PAID UNDER CUSTOMER'S INSURANCE POLICIES FOR LIABILITIES ARISING IN CONNECTION WITH THIS AGREEMENT.

11. CONFIDENTIAL INFORMATION

11.1 BD and SpinCo Obligations. Subject to Section 11.4, until the six (6)-year anniversary of the date of the termination of this Agreement in its entirety, each of BD and SpinCo, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to BD's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or its Subsidiaries or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by such other Party or such other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement, and shall not use any such confidential and proprietary information other than for such purposes as may be expressly permitted hereunder, except, in each case, to the extent that such confidential and proprietary information (a) is in the public domain or is generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (b) is lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves known by such Party or any of its Subsidiaries to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information; (c) is independently developed or generated without reference to or use of the confidential and proprietary information of the other Party or any of its Subsidiaries; or (d) was in such Party's or its Subsidiaries' possession on a non-confidential basis prior to the time of disclosure to such Party and at the time of such disclosure was not known by such Party or any of its Subsidiaries to be prohibited from being disclosed by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information. If any confidential and proprietary information of a Party or any of its Subsidiaries is disclosed to the other Party or any of its Subsidiaries in connection with Supplier's supply of the Products and provision of related services and manufacturing activities hereunder, then such disclosed confidential and proprietary information shall be used only as required for Supplier's supply of the Products and provision of related services and manufacturing activities.

11.2 No Release; Return or Destruction. Each Party agrees (a) not to release or disclose, or permit to be released or disclosed, any Confidential Information of the other Party addressed in Section 11.1 to any other Person, except its Representatives who need to know such confidential and proprietary information in their capacities as such (who shall be advised of their obligations hereunder with respect to such confidential and proprietary

information) and except in compliance with Section 11.4, and (b) to use commercially reasonable efforts to maintain such confidential and proprietary information in accordance with Section 6.4 of the Separation and Distribution Agreement. Without limiting the foregoing, when any such confidential and proprietary information is no longer needed for the purposes contemplated by the Separation and Distribution Agreement, this Agreement or any other Ancillary Agreements, each Party will promptly after request of the other Party either return to the other Party all such confidential and proprietary information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); *provided* that the Parties may retain electronic back-up versions of such confidential and proprietary information maintained on routine computer system backup tapes, disks or other backup storage devices; and *provided*, *further*, that any such retained back-up information shall remain subject to the confidentiality provisions of this Agreement.

11.3 Privacy and Data Protection Laws. Each Party shall comply with all applicable state, federal and foreign privacy and data protection laws that are or that may in the future be applicable to the supply of the Products and provision of related services and manufacturing activities under this Agreement.

11.4 Injunctive Relief. In the event that a Party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any of its Subsidiaries) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such law (as so advised by its counsel) or by lawful process or such Governmental Authority and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such confidential and proprietary information, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

11.5 Injunctive Relief. It is understood and agreed that money damages may not be a sufficient remedy for any breach of this Section 11, and that the disclosing Party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section 11, but shall be in addition to all other remedies available at law or equity to the disclosing Party.

11.6 Survival. Subject to Section 11.4, the obligations in this Section 11 shall survive any expiration or termination of this Agreement for six (6) years after the date of expiration or termination of this Agreement; *provided*, *however*, that, with respect to each trade secret of a Party, such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret. In the event of a conflict, contradiction, or inconsistency between any other agreement executed by the Parties or their Representatives at the Closing concerning rights to trade secrets at the Facility, such other agreement shall govern and prevail over the language in the preceding sentence.

12. RECORDS; INSPECTION; ACCESS TO FACILITIES

12.1 Manufacturing Records. Supplier agrees to retain all applicable records relating to the manufacturing of Products for a period of not less than seven (7) years from the date of delivery of Product, or such longer period as may be required by applicable law. Supplier shall provide Customer with complete and accurate copies of such records, upon Customer's request and at Customer's expense.

12.2 Inspection. Subject to Supplier's consent (not to be unreasonably withheld), on an annual basis, or more frequently with reasonable cause, Supplier agrees to permit Customer to enter and inspect, upon at least fifteen (15) days' prior written notice and during normal business hours, the Facility that is used to manufacture, label, package, Sterilize and store the Products to determine whether Supplier's manufacturing processing, labeling, packaging, Sterilization or storage of the Products conform with the applicable Specifications and otherwise comply with the requirements of this Agreement and applicable law; *provided* any such inspection does not unreasonably interfere with Supplier's continued operation of its business and Customer executes (and causes its applicable Representatives to execute pursuant to Section 12.3) a confidentiality agreement as a condition to being provided access to the Facility. The foregoing notice obligation shall be diminished to one (1) business day if the inspection is necessitated by a good faith concern related to Product quality or compliance with applicable laws where such shortened notice period may serve to mitigate immediate harm or damage to Customer or its end-users.

12.3 Access by Customer Personnel. Prior to allowing any of its Representatives to enter into the Facility, Customer shall require such Representatives to enter into confidentiality agreements with Supplier that contains provisions that are consistent with the provisions of Section 11. Customer shall cause all of its Representatives to comply with all reasonable Supplier instructions and policies while at the Facility, and Supplier shall have the right to remove any Representatives of Customer from the Facility for failure to comply with such instructions or policies.

13. TERM AND TERMINATION; TRANSITION OF PRODUCTION

13.1 Term. The term of this Agreement (the "Term") shall be as set forth in the Statement of Work.

13.2 Termination on Account of Material Breach. Either Party may terminate this Agreement, in whole or in part, without liability, except for amounts due and payable hereunder as of the date of termination, in the event the other Party breaches any material provision of this Agreement and fails to cure such breach, if capable of being cured, within ninety (90) days after receipt of written notice (which notice shall specify in reasonable detail the nature of such breach). This right shall be in addition to any other remedies provided by law.

13.3 Termination on Account of Bankruptcy. This Agreement may be terminated immediately upon written notice by one Party to the other if the other Party becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed for it or any of its assets, or files or has filed against it a petition, under the Bankruptcy Code of 1978, as amended, 11 U.S.C. § 101 *et seq.* (or bankruptcy law of another country), or under any insolvency laws providing for the relief of debtors, where such petition, assignment or similar proceeding is not dismissed within ninety (90) days following its filing.

13.4 Customer's Right to Termination. Customer may terminate this Agreement during the Term in whole or with respect only to certain Products, including on a SKU by SKU basis, at any time without cause upon one-hundred-twenty (120) days' prior written notice to Supplier; *provided* that, in connection with any such termination by convenience, Customer shall reimburse Supplier for any amounts due and payable hereunder as of the date of termination (including any costs and expenses reasonably incurred by Supplier in anticipation of this Agreement continuing for the duration of the Term).

13.5 Termination on Account of Change of Control. In the event that SpinCo consummates a Change of Control, then BD will have the right to terminate this Agreement in response to the consummation of the Change of Control by SpinCo, which right may be exercised by BD in its sole discretion. Such termination right will be exercisable once the notice to BD of the consummation of the Change of Control has been provided (which notice shall be provided promptly).

13.6 Raw Materials; Work in Progress; Inventory.

(a) Upon expiration of the Term or any termination pursuant to this Agreement, the Parties shall discuss in good faith (i) Customer purchasing from Supplier all Raw Materials that remain in Supplier's inventory as of the effective date of such expiration or termination to the extent such Raw Materials relate specifically to the Products and were acquired by Supplier for and specifically allocated by Supplier to the manufacture of the Products, and (ii) Customer assuming all third party purchase commitments or open purchase orders for Raw Materials or services attributable to the Products to the extent such purchase commitments cannot be cancelled without penalty, surcharge, default or other adverse consequence to Supplier, *provided*, *however*, that such commitments are consistent with the Rolling Forecast. Notwithstanding anything to the contrary in this Agreement, if, prior to expiration or termination of this Agreement, Supplier has ordered Raw Materials for the supply of replacement Products pursuant to Section 4.4 or has commenced the manufacture of replacement Products pursuant to Section 4.4, Supplier shall complete the supply of such replacement Products and Customer shall not have the right to seek a refund for the rejected Products to be replaced with such replacement Products.

(b) In addition to the foregoing, Customer shall remain obligated to purchase from Supplier all quantities of Products reflected in any Purchase Orders, the Binding Commitment, and, to the extent applicable, the binding portion of the Semi-Binding Commitment of the Rolling Forecast in effect as of the effective date of termination.

(c) Any Raw Materials and works in progress purchased by Customer under this Agreement (including as set forth in Sections 13.6(a)-(b)) shall be at Supplier's sole cost, and any finished Product and open Purchase Order obligations shall be purchased at the Product Prices. Customer shall only be obligated to purchase Raw Materials that comply with the Specifications for such Raw Materials. Any Raw Materials that do not comply with the Specifications at the time of delivery to Customer may be returned to Supplier at Supplier's sole cost.

13.7 Transport of Fixed Assets. [Upon expiration or termination of this Agreement, or at such other time as the Parties may mutually agree pursuant to Section 7.4, Supplier shall disconnect the Fixed Assets from utilities and mechanical and electronic systems and shall be responsible for moving the Fixed Assets to appropriate loading facilities at the Supplier Facility as necessary for Customer or its Representatives to have access to the Fixed Assets. Customer shall dismantle and crate for transportation and transport the Fixed Assets to Customer's facilities (or Customer's designated third party's facilities) at its own expense. The removal of the Fixed Assets and inventories shall be completed as soon as possible, but in no event later than ninety (90) days following termination or expiration of this Agreement, under Supplier's supervision and at such times as may be mutually agreed by the Parties.][2]

13.8 Survival. Section 1, Section 4.4(b), Section 5, Section 7.1, Section 7.2, Section 7.4, Section 7.5, Section 7.6, Section 9, Section 10, Section 11, Section 12.1, Section 13.6, Section 13.7 and this Section 13.8, and Section 14 shall survive the expiration or termination of this Agreement in each case in accordance with their respective terms. In no event shall Supplier's obligation to supply Products under this Agreement extend beyond the Term.

14. MISCELLANEOUS

14.1 Successors; Assigns. The succession and assignment provisions set forth in Section 10.3 of the Separation and Distribution Agreement shall apply to this Agreement *mutatis mutandis*. Notwithstanding anything in this Section 14.1 to the contrary, no assignment shall relieve the assigning Party of its obligations hereunder.

14.2 Relationship of the Parties. In performing their respective obligations hereunder, each of the Parties will operate as, and have the status of, an independent contractor and will not act as or be an agent, partner, co-venturer or employee of the other Party. Neither Party shall represent itself to be, or otherwise conduct itself as, an agent of the other Party and nothing contained in this Agreement shall be construed to give either Party the power to direct or control the day-to-day activities of the other or create or assume any obligation on behalf of the other. This Agreement does not create a partnership or joint venture between the Parties.

14.3 Governing Law. The rights and obligations of the Parties shall be governed by, and this Agreement shall be interpreted, construed and enforced in accordance with, the laws of the State of Delaware, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction.

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2 To be included if Section 7 is included.

14.4 Jurisdiction; Waiver of Jury Trial.

(a) Each of the Parties hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, the United States District Court for the District of Delaware, and any appellate court from any appeal thereof, in any action arising out of or relating to this Agreement or the transactions contemplated hereby, and each of the Parties hereby irrevocably and unconditionally (i) agrees not to commence any such action except in such courts, (ii) agrees that any claim in respect of any such action may be heard and determined in the Court of Chancery of the State of Delaware or, to the extent permitted by law, in such other courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action in the Court of Chancery of the State of Delaware or such other courts, (iv) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action in the Court of Chancery of the State of Delaware or such other courts and (v) consents to service of process in the manner provided for notices in Section 14.7. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by law.

(b) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION, PROCEEDING OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

14.5 Entire Agreement. This Agreement, including the other documents, exhibits, schedules and agreements specifically referred to herein, constitutes the entire agreement between and among the Parties hereto with regard to the subject matter hereof, and supersedes all prior agreements and understandings with regard to such subject matter. There are now no agreements, representations or warranties between or among the Parties other than those set forth in the Separation and Distribution Agreement or the documents and agreements contemplated in the Separation and Distribution Agreement or this Agreement.

14.6 Amendment, Waivers and Consents. This Agreement shall not be changed or modified, in whole or in part, except by supplemental agreement or amendment signed by the Parties. Any Party may waive compliance by any other Party with any of the covenants or conditions of this Agreement, but no waiver shall be binding unless executed in writing by the Party making the waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Any consent under this Agreement shall be in writing and shall be effective only to the extent specifically set forth in such writing.

14.7 Notices. Any notice required or permitted to be given hereunder shall be sufficient if in writing and (a) delivered in person or by express delivery or courier service or (b) deposited in the mail registered or certified first class, postage prepaid and return receipt requested (*provided* that any notice given pursuant to clause or (c) is also confirmed by the means described in clause (a) or (b)) to such address or facsimile of the Party set forth below or to such other place or places as such Party from time to time may designate in writing in compliance with the terms hereof. Each notice shall be deemed given when so delivered personally, or, if sent by express delivery or courier service one (1) Business Day after being sent, or if mailed, five (5) Business Days after the date of deposit in the mail. A notice of change of address shall be effective only when done in accordance with this Section 14.7.

To BD at: Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

To SpinCo at: Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel,
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

14.8 Force Majeure Events.

(a) Neither Supplier nor Customer shall be liable for loss, damage, detention, delay or failure to perform resulting from any cause whatsoever beyond its reasonable control or resulting from a force majeure ("Force Majeure Event"), including earthquake, fire, flood, infectious diseases, public health developments, epidemics and pandemics (including, for the avoidance of doubt, COVID-19 (and any evolutions or mutations thereof) and the effects of any quarantine restrictions or other measures taken by a Governmental Authority or any other person in response thereto), strike or lockout (other than a strike or lockout involving Supplier's own employees), actions of a civil or military authority, insurrection, war, embargo, an act of terrorism and container or transportation shortage. Delivery dates for Product shall be extended to the extent of any delays resulting from the foregoing or similar causes. The Party so affected shall give prompt notice to the other Party of such cause, and shall take whatever reasonable steps are necessary to relieve the effect of such cause as rapidly as reasonably possible. Notwithstanding the foregoing, nothing in this Section 14.8 shall relieve Customer of its obligation to pay for Product received from Supplier and accepted by Customer pursuant to this Agreement.

(b) In addition to and not in lieu of the terms and conditions above, if a Force Majeure event causes a shortage of Raw Materials or a shortage of Product, Supplier shall equitably allocate such Raw Materials or Product among all of Supplier's requirements with respect to such Raw Materials or Products, based on, where applicable, both parties' usage for the twelve (12)-month period prior to such Force Majeure event.

14.9 Interpretation. Except as otherwise explicitly specified to the contrary, (a) references to a Section, Article, Exhibit or Schedule means a Section or Article of, or Schedule or Exhibit to, this Agreement, unless another agreement is specified, (b) the word "including" (in its various forms) means "including without limitation," (c) references to a particular statute or regulation include all rules and regulations thereunder and any predecessor or successor statute, rules or regulation, in each case as amended or otherwise modified from time to time, (d) words in

the singular or plural form include the plural and singular form, respectively, (e) references to a particular person include such Person's successors and assigns to the extent not prohibited by this Agreement, and (f) the headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.10 Rules of Construction. The Parties acknowledge that each Party has read and negotiated the language used in this Agreement. The Parties agree that, because all Parties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any Party by reason of that Party's role in drafting this Agreement.

14.11 Severability. If any provision of this Agreement, as applied to either Party or to any circumstance, is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

14.12 Exhibits and Schedules. All Exhibits and Schedules attached hereto, including the Statement of Work, shall be deemed to be a part of this Agreement and are fully incorporated in this Agreement by this reference. In the event of a conflict between this Agreement and the Statement of Work, the terms of the Statement of Work shall control.

14.13 Rights of Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any Party, nor shall any provision give any third person any right of subrogation or action over or against any Party.

14.14 Counterparts. This Agreement may be signed in any number of counterparts, including facsimile copies thereof or electronic scan copies thereof delivered by electronic mail, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as evidenced by their signatures below.

BECTON, DICKINSON AND COMPANY

By: _____
Name: [ ]
Title: [ ]

EMBECTA CORP.

By: _____
Name: [ ]
Title: [ ]

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

FORM OF LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**"), dated as of [_____], 2022 (the "**Commencement Date**"), is made by and between Becton Dickinson Infusion Therapy Inc., a Delaware corporation ("**Landlord**") and wholly-owned subsidiary of Becton, Dickinson and Company ("**BD**"), having an address at 1 Becton Drive, Franklin Lakes, NJ 07417, and Embecta Corp., a Delaware corporation ("**Tenant**") having an address at 1 Becton Drive, Franklin Lakes, NJ 07417. For mutual consideration, Landlord and Tenant hereby enter into this Lease on the terms and conditions set forth herein.

1. Premises.

(a) As of the Commencement Date, Tenant is a corporation spun off from BD and Tenant occupies certain space within the building (the "**Building**") located on the real property having an address at [* * *] Holdrege, NE (the "**Property**") and depicted on the site plan set forth on Exhibit A. Landlord and Tenant desire that certain alterations and improvements to space within the Building be made to achieve the separation of the operations of Tenant from the operations of Landlord ("**Separation Work**") and at the end of such Separation Work, the premises demised to Tenant under this Lease shall be as depicted on Exhibit B. On the Commencement Date, the premises demised to Tenant under this Lease shall be the space within the Building that is now currently occupied by Tenant, together with the non-exclusive right to use the driveways, parking areas and Common Areas (defined below) on the Property. In the performance of the Separation Work within the Building, Landlord shall take into consideration Tenant's use of and operations in the Premises and use all commercially reasonable efforts to minimize disruption to Tenant's operations. Tenant agrees to cooperate in good faith with Landlord in achieving the Separation Work. Landlord and Tenant shall designate in writing the name of their respective representatives for the purposes of communications regarding the Separation Work. For purposes hereof, the term "**Premises**" shall mean, as applicable, the initial space occupied by Tenant in the Building and the final space depicted on Exhibit B to be occupied by Tenant after completion of the Separation Work.

(b) Landlord and Tenant shall cooperate in good faith with each other to complete the Separation Work, including Landlord and Tenant engaging in regular cadence of meetings and Landlord ensuring Tenant is promptly apprised of any significant developments as soon as reasonably possible (collectively, the "**Separation Work Communications**"). In furtherance of the foregoing mutually cooperation, Landlord may make changes to the Separation Work that (i) do not materially impair Tenant's use of the Premises for the Permitted Purpose, (ii) do not materially alter the plans set forth on Exhibit B, including, but not limited to, customary "field" changes, (iii) are required by any governmental authority, and (iv) are required to address an unforeseen circumstance arising during construction (collectively, "**Landlord Permitted Changes**"). If Landlord desires to make any change to the Separation Work which does not constitute a Landlord Permitted Change, Landlord shall obtain Tenant's written consent to such change; provided that Tenant's consent to such change shall not be unreasonably withheld, conditioned or delayed. Tenant shall be deemed to have granted its consent to any such change if Tenant fails to deliver, within five (5) Business Days following receipt of Landlord's notice of the proposed change, a written notice to Landlord objecting in reasonable detail the specific elements of the proposed change that Tenant asserts (y) do not constitute a Landlord Permitted Change and (z) are objectionable and the reasons why, provided, however, if Tenant requests in writing within the initial five (5) Business Day period, Tenant may have an additional five (5) Business Days to provide Landlord such written response. As used in this Lease, the term "**Business Day**" shall mean any day other than a Saturday, Sunday, or federal holiday.

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

(c) The Separation Work will be deemed "complete", or have reached "completion" for purposes of this Lease at such time the Separation Work is complete subject only to minor punch list items that do not interfere with Tenant's ability to operate the Premises for the Permitted Purpose. Upon the completion of the Separation Work, the Premises demised hereunder to Tenant are intended to contain 277,777 rentable square feet of space as shown on the site plan attached hereto as Exhibit B, together with the Rented Equipment (defined below). Upon the completion of the Separation Work, Landlord shall update Exhibit B if necessary and send same to Tenant. On or prior to the date of completion of the Separation Work, Tenant and Landlord (accompanied by their respective choice of agents) shall conduct a joint walk-through of the Premises to inspect the Premises and generate a punch list of all asserted defects or incomplete work items, if any, in the Separation Work (the "**Punch List**"). The Punch List shall not include, and Tenant shall be responsible for, any damage to the Separation Work caused by Tenant or Tenant's Agents. Landlord shall commence to correct or complete, as applicable, all items on the Punch List within thirty (30) days thereafter and shall diligently pursue the same to completion. Landlord shall warrant to Tenant that the Separation Work is free of defects for a period of one (1) year from the completion of such work.

(d) Landlord represents that it is the sole owner in fee simple of the Building, Landlord has the full right and authority to lease the Premises to Tenant and to otherwise enter into this Lease on the terms and conditions herein and no consent from Landlord's lender or any other party is required for Landlord to enter into this Lease. Tenant represents that Tenant has the full right and authority to lease the Premises from Landlord and otherwise to enter into this Lease on the terms and conditions herein. Tenant acknowledges that Tenant is in possession of the Premises during the Term (defined below) of this Lease in an "AS IS, WHERE IS" condition, and that no representations, warranties, or inducements, with respect to any condition of the Premises have been made by Landlord, or its designated representatives, to Tenant, or its designated representatives, except as expressly set forth in this Lease. Except for the Separation Work, no promises to alter or improve the Premises, or equip the Premises with personal property or fixtures, have been made to Tenant, or its designated representatives, by Landlord, or its designated representatives. Landlord and Tenant shall cooperate in good faith with each other to complete such work.

(e) Within eighteen (18) months of the Commencement Date, the parties expect that Landlord shall have completed the Separation Work, provided that, there shall be no reduction or abatement of Rent to or any other claim for damages by Tenant if the Separation Work is not completed in the expected timeframe.

(f) Tenant may use the Premises for manufacturing, warehouse, and general office uses, in each case, specifically related to the Permitted Purposes (as such term is defined under the Cannula Supply Agreement, dated [of even date herewith], by and between BD and Tenant), and for no other purpose. Tenant shall comply with the Building Rules and Regulations

set forth on Exhibit C herein[1], not conduct any illegal activity on the Premises, disturb other occupants of the Building in any material respect, or cause any insurance coverage on the Premises, the Building, or the Property to be eliminated. If Tenant causes Landlord's insurance premium on the Premises, the Building, or the Property to increase, Tenant shall pay the difference in premium costs as additional Rent.

(g) The resin handling system and silo (the "**Resin Handling System**") described on Exhibit D-1 and all furniture, fixtures, equipment or other items of personal property located on the Property and described on Exhibit D-2 ("**Rented Equipment**") is owned by Landlord and leased to Tenant at no additional cost. Except for the Rented Equipment, all furniture, equipment that is not a fixture, or other items of personal property located in the Premises shall be considered to be owned by Tenant ("**Tenant's Property**") and Section 8 shall govern whether such property shall be removed at the end of the Term.

2. Term. Subject to the other terms and conditions herein, the term of this Lease (the "**Term**") shall (i) begin on the Commencement Date and end on 11:59 p.m. Central Time on the last day of the month in which the tenth (10) year anniversary of the Commencement Date occurs (the "**Initial Term**"), *provided* that Tenant shall have a one-time right to extend the term of this Lease for an additional term, at Tenant's option, of exactly one (1), two (2), three (3), four (4) or five (5) years (the "**Renewal Term**"), exercisable by Tenant's providing written notice to Landlord no later than three (3) years prior to the end of the Initial Term indicating that Tenant is exercising this extension right and specifying the number (between one and five) of years that will be in the Renewal Term.

3. Rent.

(a) Commencing on the Commencement Date, Tenant shall pay to Landlord base rent ("**Base Rent**"), with annual [* * *] percent ([* * *] %) escalations over the Base Rent in the immediately preceding year, in monthly installments on the first day of each month, in advance, without notice, offset or demand, in the amounts and for the periods set forth below. Base Rent in any twelve (12) month period of the Renewal Term shall increase by [* * *] percent ([* * *] %) over the Base Rent in the immediately preceding twelve (12) month period.

Lease Period	Monthly Base Rent
Commencement Date through the 12th whole month thereafter	$ [* * *]
Months 13 — 24	$ [* * *]
Months 25 — 36	$ [* * *]
Months 37 — 48	$ [* * *]
Months 49 — 60	$ [* * *]
Months 61 — 72	$ [* * *]
Months 73 — 84	$ [* * *]
Months 85 — 96	$ [* * *]
Months 97 — 108	$ [* * *]
Months 109 — 120	$ [* * *]

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

1 Landlord to provide the Building Rules and Regulations.

(b) In addition to Base Rent, from and after the Commencement Date (subject to adjustment as set forth in this Lease), Tenant shall pay to Landlord as additional Rent, in the same manner as Base Rent, Tenant's Proportionate Share (defined below) of the following charges:

(i) **Facilities Management Fee:** $[* * *] per month(Set forth in Section 4)

(ii) **Taxes:**(Set forth in Section 9) $[* * *] per month

(iii) **Insurance:**(Set forth in Section 10) $[* * *] per month

(iv) **Utilities:** $[* * *] per month

The following utilities shall be provided to the Premises: water (including chilled water), compressed air, central exhaust, heating/cooling HVAC, central vacuum, sewer, natural gas, and electricity (the "**Utilities**"). Tenant shall procure in its own name and pay for any additional utilities that Tenant may require. Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord be liable for any failure, cessation or interruption of utility services to the Premises so long as not caused by the gross negligence or intentional misconduct (acts or omissions) of Landlord or its agents. If Tenant experiences unrecoverable production losses at the Premises due to the actions or inactions of a third party facilities manager, Landlord shall use commercially reasonable efforts to seek payment from such third party facilities manager for Tenant's unrecoverable production losses if the third party facilities contract allows for such recovery. If and when Landlord receives a payment from a third party facilities manager for unrecoverable production losses due to the actions or inactions of such third party facilities manager, Landlord shall pass on to Tenant that portion of any such reimbursement directly attributable to Tenant's unrecoverable production losses at the Premises.

"**Tenant's Proportionate Share**" means the percentage obtained by dividing (x) the number of rentable square feet of space occupied by Tenant in the Building, by (y) the total number of rentable square feet of space in the Building, which the parties agree Tenant's Proportionate Share is sixty three percent (63%) as of the Commencement Date. If Landlord develops a new building on the Property, the parties will amend Tenant's Proportionate Share to equitable recalculate Tenant's Proportionate Share based on an expanded square footage of all buildings on the Property.

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

(c) The foregoing items of additional rent set forth in Section 3(b)(i)—(iv) are, collectively, the "**Operating Expenses**". Operating Expenses shall not include costs for the expenses set forth on Exhibit E. The Base Rent plus the Operating Expenses shall be the "**Rent**". From and after the Commencement Date, monthly Base Rent and the monthly installment of estimated Operating Expenses shall be payable on the first day of each month beginning on the first day of the first full calendar month of the Term. The Rent for any partial month at the beginning of the Term shall be prorated and shall be due on the Commencement Date. In the event Tenant fails to pay Base Rent, Operating Expenses, or any other payment called for under this Lease within five (5) Business Days of the time period specified, Tenant shall pay, as additional rent, a late charge equal to eight percent (8%) of the unpaid amount, which late charge shall be paid with the required payment; provided, however, Landlord shall provide written notice to Tenant and ten (10) days to cure such failure to pay at least one time every twelve (12)-month period prior to applying such late charge.

(d) The monthly installment of Tenant's Proportionate Share of Operating Expenses shall initially be the amount set forth in Section 3(b), which represents Landlord's estimate of Operating Expenses. Not more than once in any calendar year, Landlord may deliver to Tenant a revised good faith estimate of Tenant's Proportionate Share of Operating Expenses, and thereafter the monthly installments of Tenant's Proportionate Share of Operating Expenses shall be paid by Tenant in accordance with such estimate, subject to final adjustment as set forth in Section 3(e).

(e) By April 1 of each calendar year of the Term, but no later than June 1 of such calendar year, Landlord shall furnish to Tenant a statement of actual Operating Expenses incurred for the prior calendar year (the "**Reconciliation Statement**"), which shall include reasonable detail. Subject to the below, if Tenant's payments for Operating Expenses for the calendar year covered by the Reconciliation Statement exceeded Tenant's Proportionate Share of the actual Operating Expenses as indicated in the Reconciliation Statement, then Landlord shall credit or reimburse Tenant for such excess payments within ninety (90) days of delivery of the Reconciliation Statement (and if not credited or reimbursed, Tenant may offset such amount against the payment(s) of Rent next coming due); conversely, if Tenant's payments for Operating Expenses paid for such calendar year are less than Tenant's Proportionate Share of the actual Operating Expenses as indicated in the Reconciliation Statement, then Tenant shall pay Landlord such deficiency within ninety (90) days of receipt of the Reconciliation Statement. Tenant shall have the right to have Landlord's books and records pertaining to Operating Expenses for the calendar year covered by such Reconciliation Statement reviewed and audited ("**Tenant's Audit**"), provided: (i) such right shall not be exercised more than once during any calendar year; (ii) Tenant shall provide Landlord with written notice no later than ninety (90) days following Tenant's receipt of the Reconciliation Statement for the year to which Tenant's Audit will apply; (iii) Tenant shall have no right to conduct Tenant's Audit if an Event of Default then currently exists; (iv) conducting Tenant's Audit shall not relieve Tenant from the obligation to pay Operating Expenses, as billed by Landlord, pending the outcome of such audit; (v) Tenant shall commence Tenant's Audit no later than one hundred fifty (150) days following Tenant's receipt of the Reconciliation Statement for such year, and Tenant's Audit shall conclude forty-five (45) days following the date that Landlord makes available to Tenant electronically all applicable reasonably requested books and records needed for Tenant's Audit; (vi) Tenant's Audit shall be conducted at Landlord's office where the records of the year in question are maintained by Landlord, during Landlord's normal business hours; (vii) Tenant's Audit shall be conducted at Tenant's sole cost and expense, provided that if Tenant's audit shows that Tenant overpaid by five percent (5%) or more, Landlord shall reimburse Tenant for the reasonable out-of-pocket costs incurred by Tenant's

Audit; (viii) Tenant's Audit shall be conducted by a qualified employee/consultant of Tenant and/or a reputable certified public accountant or other qualified professional who has experience reviewing financial operating records of commercial building landlords, provided that such qualified professional shall not be retained on a contingency or performance bonus basis; and (ix) Tenant shall provide to Landlord a copy of Tenant's findings associated with Tenant's Audit within ten (10) days following the completion of such audit.

(f) In the event Tenant's Audit shows documentation reasonable acceptable to Landlord reflecting the calculation of any overstated or understated net amount of Tenant's Proportionate Share of Operating Expenses for the year audited, the net overage or shortfall amount shall be paid to the party entitled to such payment within sixty (60) days following Tenant's receipt of documentation reasonably acceptable to Landlord and Tenant reflecting the calculation of such overstated or understated amount.

4. Facilities Management Fee. "**Facilities Management Fee**" means the annual costs and expenses (including depreciation of capital expenditures, amortized on a straight line basis over a period equal to the useful life of such improvements as determined by Landlord in accordance with its customary accounting principles consistently applied) incurred by Landlord in connection with the ownership, operation, maintenance, and repair of the Building, including the areas of the Premises that Landlord is responsible to repair and maintain, and the Common Areas, as determined by Landlord in accordance with its customary accounting principles consistently applied, such costs including, without limitation, all costs related to:

(i) Landlord's obligations described in Section 6 herein;

(ii) landscaping and maintaining the grounds around the Building and Common Areas;

(iii) paving, maintaining and repairing all parking areas (employee or otherwise), driveways, roads, alleys and sidewalks and costs of maintaining easements, if any, granted to governmental bodies;

(iv) maintaining and repairing all storm water drainage and detention facilities (including storm water impact fees, assessments or other similar charges imposed by any governmental authority);

(v) maintaining and repairing all sanitary sewer facilities;

(vi) maintaining and repairing all utilities, meters, and backflow preventers serving the Building and leased and unleased space in the Building (including Common Areas);

(vii) exterior painting; and fire alarm and access control (however, Tenant shall separately reimburse Landlord for the cost to issue each security access badge to Tenant's employees);

(viii) third-party service and maintenance contracts;

(ix) supplies and materials related to any of the foregoing;

(x) cleaning and other janitorial services for the Building. If Tenant requires special or additional janitorial services that are not included in the services provided to all occupants of the Building, Tenant shall directly arrange for such additional services with and reimburse Landlord's service provider (currently, Jones Lange LaSalle Americas, Inc.);

(xi) costs for improvements made to the Building or Common Areas which are expected to reduce the normal operating or utility costs of the Building, and improvements made in order to comply with any laws, orders, judgments or regulations enacted after the date hereof or any new interpretations of any laws, orders, judgments and regulations hereafter rendered with respect to any existing law; all of which expenses shall be amortized on a straight line basis over a period equal to the useful life of such improvements as determined by Landlord in accordance with its customary accounting principles consistently applied;

(xii) Common Area and equipment maintenance therein, including in the kitchens, cafeteria, lounges, and the like;

(xiii) maintaining and repairing, as needed, chilled water systems, compressed air systems, exhaust systems, vacuum systems, fire sprinkler systems, humidification systems, paging systems, announcement systems, alarms; and

(xiv) maintaining and repairing, as needed, of Arc Flash cabinet rating and updated one-line flash drawing for electrical safety.

"**Common Areas**" shall mean those areas and facilities which may be furnished by Landlord or others in or for the Property for the nonexclusive general use by Tenant, including (without limitation) lobbies, reception areas, shared restrooms, shared break rooms, parking areas, access areas (other than public streets), employee parking areas, truck ways, parkways, drives, driveways, loading docks and areas, utility rooms, delivery passageways, package pick-up stations, sidewalks, interior and exterior pedestrian walkways, courts, ramps, common seating areas, landscaped and planted areas, retaining walls, balconies, stairways, elevators, halls, drinking fountains, lighting facilities, and other similar areas, facilities or improvements.

5. Maintenance and Repairs by Tenant. Notwithstanding Section 6 below, Tenant shall keep and maintain the Premises, in good order and repair, except for portions of the Premises required or agreed to be repaired by Landlord hereunder, and keep the Premises free and clear of trash and debris and in a clean and sanitary condition. If Tenant fails to so maintain or to make said repairs after thirty (30) days' notice to Tenant without cure, Landlord may, but shall not be obligated to, make such repair, in which event Tenant shall, upon written demand, promptly reimburse Landlord, as additional Rent, for all reasonably incurred expenses. Landlord shall allow Tenant reasonable access to install and maintain any conduits in the Building to the extent necessary for purposes of running voice and data wiring and cabling.

6. Repairs by Landlord.

(a) Landlord agrees to keep in good repair the roof, the floor slab, foundations, structural elements of the Building, exterior paved areas and exterior walls, utility lines, plumbing, heating, ventilation, and air conditioning systems and to perform any capital improvements or replacements to any of the systems serving the Building or any capital expenditures as may be necessary or appropriate in Landlord's reasonable discretion with respect to the Building and the Property. Tenant shall promptly notify Landlord in writing of any damage covered under this Section 6, and Landlord shall be under no duty to repair unless it receives written notice of such damage. Tenant shall be responsible for the cost of any damage to any portion of the Premises or other portions of the Building or the Property caused by Tenant's use and occupancy or caused by the acts or omissions of Tenant or Tenant's Agents, however, Landlord shall perform any necessary repairs to the extent any damage is outside of the Premises or if Landlord is in charge of the damaged area under this Section 6. Upon written demand, Tenant shall promptly reimburse Landlord, as additional Rent, for any repairs or maintenance required with respect to any portion of the Premises or other portions of the Building or the Property caused by the acts or omissions of Tenant or Tenant's Agents.

(b) Landlord has the right to require Tenant to shut down operations at the Premises no more than twenty-four (24) days in each calendar year for the purpose of repairs and maintenance to any part of the Building or the systems serving the Building. Landlord and Tenant shall cooperate in good faith with each other to enable such shut downs, and Landlord shall provide Tenant with reasonably sufficient prior notice (via email and telephone to Tenant) to minimize disruption to Tenant's operations.

7. Modifications and Alterations to the Premises. No modifications or alterations to the Premises, installation or attachment of fixtures in and to the Premises, or alterations to the exterior of the Building (including the roof), shall be made by Tenant without the prior written consent of Landlord except that, in any twelve (12)-month period, Tenant may perform, without Landlord's consent, up to [* * *] Dollars ($[* * *]) of non-structural, interior alterations that do not alter or interfere with the Separation Work, are not visible from the exterior of the Building, and do not affect the roof, the Building floor slab or any systems serving the Building ("**Tenant's Non-Structural Alterations**"). Any plans for modification or alteration to the Premises, whether or not Landlord's consent is required and unless cosmetic in nature or made to Tenant's Property, shall, at Landlord's election, be reviewed by a third party engineer or architect of Landlord's choosing and Tenant shall pay the costs of such review. To the extent Tenant requires Landlord's consent for Tenant's Non-Structural Alterations, if Landlord fails to object to the same within thirty (30) days of receipt of Tenant's written request therefor, Tenant shall be permitted to perform such Tenant's Non-Structural Alterations, and if Landlord objects within thirty (30) days of receipt of Tenant's written request therefor, the parties shall work in good faith to coordinate with each other to make such changes to satisfy Landlord's requirements. Any architect's or engineering plans that may be required for permitting shall be performed by architects or engineers insured and licensed in the State of Nebraska. In the event any such modifications or alterations are performed by Tenant in accordance with the provisions of this Lease (whether or not requiring Landlord's consent), the same shall be completed in accordance with all applicable codes and regulations. Any alterations or improvements to the Premises made by Tenant shall at once become the property of Landlord and shall be surrendered to Landlord

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

upon the expiration or prior termination of this Lease; provided, however, Landlord has the option by written notice at the time of Landlord's approval of Tenant's plans for any modification or alteration to the Premises, to require Tenant to remove any improvements or repair any alterations in order to restore the Premises to the condition existing on the Commencement Date. With respect to any modification or alteration to the Premises not requiring Landlord's consent pursuant to this Section 8, or to which Landlord did not consent, Tenant shall remove any improvements or repair any alterations in order to restore the Premises to the condition existing on the Commencement Date unless Landlord has agreed to otherwise in writing. Tenant shall have no right to go upon, occupy or use all or any portion of the roof of the Building for any purpose, without the prior written consent of and on the terms of Landlord. Tenant covenants and agrees that it shall not cause the estate of Landlord in the Premises to become subject to any lien, charge or encumbrance arising from labor performed or materials furnished to the Premises by or at the request of Tenant; provided, that if a lien shall be filed, Tenant shall have the same removed or bonded off within thirty (30) days of receipt to notice thereof. Within sixty (60) days of completion, Tenant shall deliver to Landlord a complete copy of the "as-built" or final plans and specifications, if applicable, or other appropriate documentation describing the alterations or improvements made by or on behalf of Tenant in or to the Premises.

8. End of Term. In addition to complying with the provision set forth in Section 20 "Decommissioning," at the expiration or prior termination of the Term, Tenant shall quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, excepting reasonable wear and tear, casualties, alterations or other interior improvements which Tenant is permitted to keep in place pursuant to Section 7 at the termination of this Lease. In addition, Tenant shall remove all of Tenant's Property, including, without limitation, saw-off and grounding smooth all floor anchors on equipment or machinery, remove all low voltage cables and networking equipment, telecommunications equipment, and vertical utility cables and lines back to their respective junction boxes. Tenant shall repair, at its expense, all damage to the Premises caused by such removal. For the avoidance of doubt, Tenant shall not make repairs to areas of the Premises which Landlord is in charge of making under Section 6, however, Tenant shall pay the cost of such repairs if there is damage (beyond reasonable wear and tear) resulting from Tenant's use or occupancy of the Premises or Common Areas or resulting from the acts or omissions of Tenant or Tenant's Agents. Notwithstanding the fact that Tenant may have installed or paid for the installation of the following items without the prior written consent of Landlord, Tenant shall not remove any of the following: building fixtures, electrical distribution wiring and panels, lighting or lighting fixtures, wall coverings, fire extinguishers, carpets or other floor coverings, heaters, air conditioners or any other heating or air conditioning equipment, attached water coolers or drinking fountains, fencing or security gates; dock levelers and dock equipment; water heaters or other similar building operating equipment. At the expiration or prior termination of this Lease Tenant shall return the Premises to Landlord vacant, broom clean, normal wear and tear and damage by casualty excepted. Failure to comply with this Section 8, which failure continues for more than ten (10) days following Tenant's receipt of written notice from Landlord, will constitute holding over by Tenant. In the event this Lease is terminated for any reason, any property remaining in or upon the Premises may be deemed to be abandoned by Tenant and become property of Landlord and Landlord may dispose of same with no liability to Landlord and no obligation to Tenant.

9. Taxes. During each month of the Term, on the same date and in the same manner as provided above for Operating Expenses, Tenant shall also pay Landlord as additional rent an amount equal to one-twelfth (1/12th) of Tenant's Proportionate Share of Taxes allocable to the Property. The term "**Taxes**" includes all real property and personal property taxes, charges, impositions, fines, levies, burdens and assessments of every kind and nature (including dues and assessments by means of deed restrictions and/or owners' associations) which accrue against the Property during the Term, and federal, state and local taxes or charges assessed against the Propertyby any governmental or quasi-governmental body or authority, (except for income, or franchise taxes applicable against Landlord), whether special, general or extraordinary, foreseen or unforeseen (provided, however, if the method of taxation then prevailing shall be altered so that any method of taxation shall be levied or imposed upon Landlord in place or partly in place of any such real property taxes and assessments and shall be measured by or based in whole or in part upon the Base Rent payable under this Lease or other rents or other income from the ownership of the Property, then all such new taxes, assessments, levies, impositions or charges shall be included in Taxes), together with reasonable fees paid to consultants and attorneys for services appealing and/or contesting ad valorem taxes and assessments, or in lieu of the use of consultants, a fee for Landlord's personnel charged with such duties in an amount equal to twenty percent (20%) of the tax savings realized. Payments for any fractional calendar month shall be prorated. Not more than once in any calendar year, Landlord may deliver to Tenant a good faith estimate of the amount of Tenant's Proportionate Share of Taxes owed by Tenant under this Lease, and thereafter, monthly installments of Tenant's Proportionate Share of Taxes owed by Tenant under this Lease shall be adjusted in accordance with such estimate. By April 1 of each calendar year during the Term, but in no event later than June 1 of such calendar year, Landlord shall furnish to Tenant a statement of Taxes for the previous calendar year (the "**Tax Statement**"), and in the same manner as provided above for Operating Expenses, any excess or deficiency shall be credited or paid to Landlord or Tenant, as the case may be (as set forth in Section 3(e)). Landlord shall have the sole and absolute right to appeal to the applicable governing authority any assessment of Taxes pertaining to the Property.

10. Insurance.

(a) Landlord shall keep the property of Landlord insured against "All Risks" for the benefit of Landlord in an amount equivalent to the full replacement value thereof. Landlord agrees that such policy or policies of insurance shall contain a waiver of subrogation clause as to Tenant and Landlord waives, releases and discharges Tenant from all claims and demands whatsoever which Landlord may have or acquire arising out of damage to or destruction of Landlord's property or Landlord's business therein occasioned by fire or other cause, which such claim or demand may arise because of the negligence or fault of Tenant, its agents, employees, customers or business invitees, or otherwise, and Landlord agrees to look to the insurance coverage only in the event of such loss. Landlord may also carry such other types of insurance in form and amounts which Landlord shall determine to be appropriate from time to time. Any and all such insurance maintained by Landlord is hereinafter referred to collectively as "**Landlord's Insurance**"). Any of Landlord's Insurance may be carried under blanket policies covering other properties of Landlord and/or its partners and/or their respective related or affiliated corporations so long as such blanket policies provide insurance at all times for the Property as required by this Lease. During each month of the Term, on the same date and in the same manner as provided above for Operating Expenses, Tenant shall also pay Landlord as additional rent an amount equal

to one-twelfth (1/12th) of Tenant's Proportionate Share of the annual cost of Landlord's Insurance. Payments for any fractional calendar month shall be prorated. Landlord may from time to time deliver to Tenant a good faith estimate of the amount of Tenant's Proportionate Share of Landlord's Insurance, and thereafter, monthly installments of Tenant's Proportionate Share of Landlord's Insurance payable by Tenant shall be adjusted in accordance with such estimate. By April 1 of each calendar year during the Term, or as soon thereafter as practicable, Landlord shall furnish to Tenant a statement of Landlord's Insurance for the previous calendar year (the "**Insurance Statement**"), and in the same manner as provided above for Operating Expenses, any excess or deficiency shall be credited or paid to Landlord or Tenant, as the case may be. Tenant will carry, at Tenant's sole cost and expense, property insurance coverage on all alterations and improvements completed by Tenant and all equipment, inventory, trade fixtures and other personal property of Tenant.

(b) Tenant shall, at Tenant's sole cost and expense, maintain "All Risks" property insurance keeping all of its machinery, equipment, furniture, fixtures, personal property (including also property under the care, custody or control of Tenant), which may be located in, upon, or about the Premises and business interests including the profits thereof insured against "All Risks" for the benefit of Tenant.

(i) General public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Premises, such insurance to afford additional insured status to Landlord with limits of not less than $2,000,000 per occurrence.

(ii) Workers compensation insurance and employers' liability, waiving (to the extent permissible under state law) subrogation against Landlord with employers' liability coverage of not less than $1,000,000.

(iii) Automobile insurance, to the extent applicable having limits for liability coverage of not less than $1,000,000 per occurrence

(iv) Cyber insurance including network security liability, extortion, and business interruption coverage with limits of not less than $3,000,000 per claim.

Tenant agrees that such policies of insurance shall contain a waiver of subrogation clause as to Landlord and Tenant waives, releases and indemnifies Landlord from all claims or demands whatsoever arising out of injury, damage or destruction of machinery, equipment, furniture, fixtures, personal property, and the business of Tenant, or other property or persons which Tenant is responsible for, occasioned by fire or other cause, whether such claim or demand may arise because of the negligence or fault of Landlord, its agents, employees, subcontractors, and Tenant agrees to look to the insurance coverage only in the event of such loss.

(c) Such insurance shall, in addition and to the extent available, extend to any liability of Tenant arising out of the indemnities provided for in this Lease. If commercially reasonable, Landlord shall have the right to periodically following the expiration of the Term (but not more than once every three (3) years) raise Tenant's required coverage limits hereunder. Commercial general liability policies procured and maintained by Tenant pursuant to this

Section 10(c) shall include Landlord and any additional parties reasonably designated by Landlord (who have an insurable interest) as additional insureds, shall be carried with companies licensed or authorized to do business in the State of Nebraska having a rating from A.M. Best of not less than A-VIII, and shall be non-cancelable and not subject to material change except after thirty (30) days' written notice to Landlord. All liability policies shall be written on an occurrence, not claims made, basis.

(d) Each party hereto waives all rights of recovery, claims, actions or causes of actions arising in any manner in its (the "**Injured Party**") favor and against the other party for loss or damage to the Injured Party's property located within or constituting a part or all of the Property, to the extent the loss or damage: (i) is covered by the Injured Party's insurance, or (b) would have been covered by the insurance the Injured Party is required to carry under this Lease, whichever is greater, regardless of the cause or origin, including the sole, contributory, partial, joint, comparative or concurrent negligence of the other party. This waiver also applies to each party's directors, officers, employees, shareholders, partners, representatives and agents. All insurance described in this Section 10 shall provide for such waiver of rights of subrogation by the Injured Party's insurance carrier to the maximum extent the same is permitted under the laws and regulations governing the writing of insurance within the state in which the Property is located. It is the intention and agreement of Landlord and Tenant that the Base Rent reserved by this Lease has been fixed in contemplation that each party shall fully provide its own property insurance protection, and that each party shall look to its respective property insurance carriers for reimbursement of any such loss, and further, that the insurance carriers involved shall not be entitled to subrogation under any circumstances against any party to this Lease. Neither Landlord nor Tenant shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof.

(e) On or before the Commencement Date, Tenant shall deliver to Landlord certificates of insurance in form and substance satisfactory to Landlord evidencing that Tenant has procured the insurance which Tenant is required to maintain under this Lease. Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than ten (10) days' written notice prior to any cancellation of such coverage, and if Tenant is unable to require any insurance carrier to provide such notice, then Tenant shall give Landlord written notice within five (5) Business Days after the date it receives notice of cancellation of such coverage. At least ten (10) days prior to the expiration of any such policy, Tenant shall deliver to Landlord a certificate evidencing the renewal thereof. In the event Landlord has not received evidence of Tenant's compliance with the insurance coverages required by this Section 10(e), and after three (3) Business Days' notice to Tenant of such failure without delivery to Landlord of such evidence, Landlord may, but shall not be required to, secure coverage on behalf of Tenant in the amounts required herein with companies satisfactory to Landlord. Tenant shall pay the costs of such coverage directly, or, if paid by Landlord, upon written demand, promptly reimburse Landlord as additional rent, within thirty (30) days after written notice, for all costs incurred by Landlord in securing such coverage. If thereafter Tenant supplies to Landlord evidence that Tenant is maintaining the insurance required under this Lease, Landlord shall promptly cancel the replacement coverage it obtained and Tenant shall no longer be liable for the cost of the insurance Landlord procured under the immediately preceding sentence. If Tenant provides any insurance required by this Lease in the form of a blanket policy, Tenant shall furnish satisfactory proof that such blanket policy complies in all respect with the provisions of this Lease, and that the coverage thereunder is at least equal to the type, quality and substance of the coverage which would be provided under a separate policy covering only the Premises.

11. Indemnity.

(a) Subject to Section 10(e), Tenant agrees to indemnify and hold harmless Landlord and its officers, members, agents and employees from and against any liability, judgments, claims, demands, suits, actions, losses, penalties, fines, damages, costs and reasonable expenses (including reasonable attorneys' fees and court costs) of any kind or nature whatsoever, due to or arising out of Tenant's negligence or intentional misconduct (whether acts or omissions) of Tenant or its agents, contractors, employees or licensees. The indemnification obligations in this Section 11 shall survive the earlier expiration or termination of this Lease.

(b) Subject to Section 10(e), Landlord agrees to indemnify and hold harmless Tenant and its officers, members, agents and employees from and against any liability, judgments, claims, demands, suits, actions, losses, penalties, fines, damages, costs and reasonable expenses (including reasonable attorneys' fees and court costs) of any kind or nature whatsoever, due to or arising out of Landlord's negligence or intentional misconduct (whether acts or omissions) of Landlord, or its agents, contractors, employees or licensees. The indemnification obligations in this Section 11 shall survive the earlier expiration or termination of this Lease.

(c) In the event Landlord and Tenant are determined to be contributorily responsible for the indemnified injury or loss, each indemnitor's obligation shall be limited to the indemnitor's equitable share of the losses, costs or expenses to be indemnified against based on the relative culpability of each indemnifying person whose negligence or willful acts or omissions contributed to the injury or loss.

12. Compliance with Laws. Landlord shall comply with all applicable requirements of any legally constituted public authority applicable to Landlord's premises in the Building, to the extent any such non-compliance would prevent Tenant from using the Premises for the Permitted Purpose. Tenant agrees, at its own expense, to promptly comply with all applicable requirements of any legally constituted public authority made necessary by reason of Tenant's use or occupancy of the Premises or operation of its business. Notwithstanding anything to the contrary contained in this Lease, Tenant shall be responsible for any and all costs and expenses arising from any violations of environmental laws or regulations caused by Tenant's activities or Tenant's occupancy of the Premises.

13. Destruction of or Damage to Premises. If the Premises are damaged or destroyed by fire or other casualty, this Lease and all of its terms, covenants and conditions shall, subject to the provisions hereinafter set forth, continue in full force and effect; provided, if more than fifty percent (50%) of the Premises is rendered unusable for Tenant's intended use and, in Landlord's reasonable opinion, the Premises cannot be restored within one hundred eighty (180) days after the date of such damage or destruction, or if the proceeds from Landlord's insurance remaining (after required payment to any mortgagee, lender or lessor of Landlord, if any) are insufficient to repair such damage or destruction, then either Landlord or Tenant shall have the right, at the option of either party, to terminate this Lease by giving the other written notice within sixty (60) days

after such damage or destruction. Within thirty (30) days after the date of such damage or destruction, Landlord shall give notice to Tenant of its reasonable opinion as to the number of days needed to restore the Premises so that Tenant may resume normal business operations therein. Notwithstanding anything to the contrary in this Lease, in the event that the Premises is damaged, but not so destroyed (as set forth above) to terminate the Lease, or Landlord elects to rebuild, and provided that the Term of this Lease shall have at least fifteen (15) months remaining, and that applicable laws shall permit, then, and in those events, the Landlord shall repair and rebuild the Premises with reasonable diligence. Notwithstanding the foregoing: (i) (A) in the event there is less than two (2) years of the Lease Term remaining, or (B) in the event Landlord's mortgagee should require that the insurance proceeds payable as a result of a casualty be applied to the payment of the mortgage debt and Landlord does not promptly commit to restore with Landlord's funds, or (C) in the event of any material uninsured loss to the Building and Premises and Landlord does not promptly commit to restore with Landlord funds, then Tenant may terminate this Lease by notifying Landlord in writing of such termination within ninety (90) days after the date of such casualty, or (ii) if the written estimate states that the Premises cannot be restored to substantially the condition that existed prior to the casualty within one hundred eighty (180) days of the casualty, then Tenant may, at its option, terminate this Lease by notifying the Landlord in writing of such termination within one hundred twenty (120) days after the date of such casualty. Within sixty (60) days of such casualty, Landlord shall notify Tenant whether the Premises cannot be restored to the condition that existed prior to the casualty within one hundred eighty (180) days of the casualty. In addition, if the Premises is not restored within two hundred seventy (270) days after the date of such casualty, then Tenant may, at its option, send a 30 day notice to terminate this Lease and if the Premises is not restored by the end of such 30 day period, this Lease shall automatically terminate. In the event of any termination under this Section 13, Rent shall be apportioned and paid up to the date of such casualty. If the Premises are damaged, but this Lease is not terminated, Rent shall abate in such proportion as use of the Premises has been destroyed, and Landlord shall, subject to the receipt of sufficient insurance proceeds, promptly restore the Premises to substantially the same condition as before damage, whereupon full rental shall recommence. Landlord shall not be responsible for restoring or insuring Tenant's Property.

14. Condemnation. If the whole of the Premises, or such portion thereof as will make the Premises unusable for Tenant's intended use, shall be condemned by any legally constituted authority for any public use or purpose, or sold under threat of condemnation, then, in any of said events, the Term of this Lease shall cease from the time when possession or ownership thereof is taken by public authorities and Base Rent shall be accounted for as between Landlord and Tenant as of that date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that neither Tenant, nor Landlord, shall have any rights in any award made to the other by any condemnation.

15. Assignment.

(a) Tenant shall not, without the prior written consent of Landlord, which Landlord can withhold in its sole and absolute discretion, directly or indirectly, voluntarily or involuntarily, by operation of law, merger, consolidation, reorganization or otherwise (including without limitation through the transfer of a direct or indirect majority interest of stock, partnership interests or other ownership interests in Tenant, or through merger, or dissolution), mortgage, pledge, encumber, sell, transfer or assign this Lease, in whole or in part, or sublease all or any part of the Premises, or permit the use or occupancy of all or any part of the Premises by any other party (all of the foregoing being referred to herein as an "**Assignment**"). In no event is Tenant permitted to sublet or license all or any portion of the Premises.

(b) Tenant shall notify Landlord in writing of any proposed Assignment at least thirty (30) days prior to the date of such Assignment and shall provide information and documentation regarding the proposed assignee, creditworthiness, experience and such other matters as Landlord may reasonably request. Landlord shall have fifteen (15) days from receipt of all information required by the proceeding sentence within which to elect, in its sole and absolute discretion, to: (i) reject the proposed Assignment and to thereby continue this Lease in full force and effect as if such Assignment had never been proposed, or (ii) consent to the proposed Assignment. In the event any rental due and payable by any assignee under any such permitted Assignment (or a combination of the rental payable under such Assignment plus any bonus or any other consideration or any payment incident thereto) exceeds the Base Rent payable under this Lease, Tenant shall pay to Landlord fifty percent (50%) of all such excess rental and other excess consideration, net of Tenant's Transfer Costs (defined herein), within ten (10) days following receipt thereof by Tenant. "**Tenant's Transfer Costs**" shall mean the outstanding balance from time to time of the sum of the following items: (A) the cost of any additional tenant improvements paid by Tenant required for the Assignment of such portion of the Premises; (B) reasonable market leasing commissions paid by Tenant in connection with the Assignment; and (C) reasonable marketing expenses and market concessions (including rent abatement) paid by Tenant to assign this Lease (to the extent not included in a brokerage commission paid by Tenant); provided, however, Tenant shall be entitled to the remaining fifty percent (50%) of such excess rent. Upon written demand, Tenant shall promptly reimburse Landlord for Landlord's costs and expenses, including, without limitation, a processing fee of Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) to cover Landlord's administrative expenses and attorney's fees, in connection with any proposed Assignment covered under this Section 15 where Landlord's written consent is required.

(c) In the event of any Assignment, Tenant shall remain fully liable for the performance of all the terms and conditions of this Lease. No assignee of the Premises or any portion thereof may assign or sublet the Premises or any portion thereof. Landlord shall have the right at any time to sell, transfer or assign, in whole or in part, by operation of law or otherwise, its rights, benefits, privileges, duties, obligations or interests in this Lease or in the Premises, the Property, and all other buildings, land, or property referred to herein, without the consent of Tenant, and such sale, transfer or assignment shall be binding on Tenant. After such sale, transfer or assignment Tenant shall attorn to such purchaser, transferee or assignee, and Landlord shall be released from all liability and obligations under this Lease accruing after the effective date of such sale, transfer or assignment.

16. Hazardous Materials.

(a) Definitions.: As used in this Lease, the following terms have the following meanings:

"**Environmental Law**" means any past, present or future federal, state or local statutory or common law, or any regulation, ordinance, code, plan, order, permit, grant, franchise, concession, restriction or agreement issued, entered, promulgated or approved thereunder, relating to (i) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of Hazardous Materials (defined below) into the environment (including, without limitation, air, surface water, groundwater or land), or (ii) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Materials.

"**Environmental Permits**" mean collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with, any applicable Environmental Law or other law including, but not limited to, any Spill Control Countermeasure Plan and any Hazardous Materials Management Plan.

"**Hazardous Materials**" shall mean and include any hazardous or toxic materials, substances or wastes as now or hereafter designated or regulated under any Environmental Law, including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("**PCBs**"), freon and other chlorofluorocarbons, "biohazardous waste," "medical waste," "infectious agent", or "mixed waste".

"**Release**" shall mean with respect to any Hazardous Materials, any release, deposit, discharge, emission, leaking, pumping, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials.

(b) Tenant's Obligations – Environmental Permits. Tenant will (i) obtain and maintain in full force and effect all Environmental Permits that may be required from time to time under any Environmental Laws applicable to Tenant or the Premises and (ii) be and remain in compliance with all terms and conditions of all such Environmental Permits and with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in all Environmental Laws applicable to Tenant or the Premises. Notwithstanding the foregoing, Landlord shall apply to the City of Holdrege, NE (the "**City**") for permission to allow Tenant to discharge wastewater from Tenant's operations at the Premises pursuant to that certain existing Waste Water Discharge Agreement between the City and Landlord attached on Exhibit F (such wastewater permit and any supplement to, modification of, or substitute wastewater permit used by Tenant, the "**Wastewater Permit**"). If Tenant contemplates any changes in Tenant's operations at the Premises or wastewater effluent that has the reasonably likely potential to (x) negatively impact operation of the City's wastewater treatment plant or (y) impact Landlord's permit, Tenant shall give at least sixty (60) days prior written notice to Landlord or as soon Tenant becomes aware of such change. Tenant will comply with all authorization conditions and sampling requirements related to any Wastewater Permit, whether or not discharging under a shared permit with Landlord, and shall fully cooperate at Tenant's own cost with Landlord in investigating any non-compliance with said permit. Tenant may not increase the volume or change the constitution of its wastewater effluent without the prior written consent of Landlord. Tenant will indemnify Landlord for Tenant's use of any Wastewater Permit in accordance with Section 16(g).

(c) Tenant's Obligations – Hazardous Materials. Except as expressly permitted herein and as set forth on Exhibit G herein, Tenant agrees not to cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, or any other portion of the Property by Tenant, its agents, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "**Tenant's Agents**"), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord acknowledges that it is not the intent of this Section 16(b) to prohibit Tenant from operating its business for the uses permitted hereunder. Tenant may operate its business according to the custom of Tenant's industry and /or based on Tenant's historical ordinary course of business so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with applicable Environmental Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Material to be present at the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of such Hazardous Material at the Premises (the "**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List annually and shall also deliver an updated Hazardous Materials List before any new Hazardous Materials are brought to the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Documents**") relating to the handling, storage, disposal and emission of Hazardous Materials prior to the Commencement Date or, if unavailable at that time, concurrently with the receipt from or submission to any governmental authority: permits; approvals; reports and correspondence; storage and management plans; notices of violations of applicable Environmental Laws; plans relating to the installation of any storage tanks to be installed in, on, under or about the Premises (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord will not unreasonably withhold; and all closure plans or any other documents required by any and all governmental authorities for any storage tanks installed in, on, under or about the Premises for the closure of any such storage tanks. For each type of Hazardous Material listed, the Documents shall include (s) Safety Data Sheet, (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Tenant shall not be required, however, to provide Landlord with any portion of the Documents containing information of a proprietary nature, which Documents, in and of themselves, do not contain a reference to any Hazardous Materials or activities related to Hazardous Materials. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Property, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building and/or the Property or any portion thereof by Tenant or any of Tenant Agents during the Term of this Lease.

(d) Landlord's Right to Conduct Environmental Assessment. Landlord represents to Tenant that as of the date of this Lease and to the best of Landlord's knowledge, there have been no Releases of Hazardous Materials in violation of Environmental Laws in the Building, Premises or at the Property. This representation shall survive expiration or sooner termination of this Lease. If any pre-existing Releases of Hazardous Materials are subsequently

discovered, Landlord shall be solely and exclusively responsible for all such costs associated with the remediation thereof. At any time during the Term, Landlord shall have the right, at Landlord's sole cost and expense, to conduct an environmental assessment of the Building or the Premises (as well as any other areas in, on or about the Property that Landlord reasonably believes may have been affected adversely by Tenant's use of the Building or the Premises (collectively, the "**Affected Areas**") in order to confirm that the Building or Premises and the Affected Areas do not contain any Hazardous Materials in violation of applicable Environmental Laws or under conditions constituting or likely to constitute a Release of Hazardous Materials. Such environmental assessment shall be a Phase I Environmental Site Assessment or such other level of investigation which shall be the standard of diligence in the purchase or lease of similar property at the time, Tenant shall be responsible for paying for any additional investigation or report required based on a recognized environmental condition, which would customarily follow any discovery contained in such initial Phase I assessment (including, but not limited to, a Phase II Environmental Site Assessment). Such right to conduct such environmental site assessments shall not be exercised by Landlord more than once per calendar year unless an Event of Default exists hereunder.

(e) Tenant's Obligations to perform Corrective Action. If the data from any environmental site assessment authorized and undertaken by Landlord pursuant to Section 16(d) indicates there has been a Release, threatened Release or other conditions with respect to Hazardous Materials on, under or emanating from the Building, the Premises and the Affected Areas that may require any investigation and/or active response action, including without limitation active or passive remediation and monitoring or any combination of these activities ("**Corrective Action**"), Tenant shall immediately undertake Corrective Action with respect to contamination if, and to the extent, required by the governmental authority exercising jurisdiction over the matter. Any Corrective Action performed by Tenant will be performed with Landlord's prior written approval, not to be unreasonably withheld, delayed or conditioned and in accordance with applicable Environmental Laws, at Tenant's sole cost and expense and by an environmental consulting firm (reasonably acceptable to Landlord). Tenant may perform the Corrective Action before or after the expiration or earlier termination of this Lease, to the extent permitted by governmental agencies with jurisdiction over the Premises, the Building and the Property. Tenant or its consultant may install, inspect, maintain, replace and operate remediation equipment and conduct the Corrective Action as it considers necessary, subject to Landlord's written consent as set forth above (i.e., not to be unreasonably withheld, delayed or conditioned). Tenant and Landlord shall, in good faith, cooperate with each other with respect to any Corrective Action after the expiration or earlier termination of this Lease so as not to interfere unreasonably with the conduct of Landlord's or any third party's business on the Premises, the Building and the Property. Landlord may, in its sole discretion, provide access until Tenant delivers evidence reasonably satisfactory to Landlord that Tenant's Corrective Action activities on the Premises and the Affected Areas satisfy applicable Environmental Laws. It shall be reasonable for Landlord to require Tenant to deliver a "no further action" letter or substantially similar document from the applicable governmental agency. Tenant agrees to install, at Tenant's sole cost and expense, screening around its remediation equipment so as to protect the aesthetic appeal of the Premises, the Building and the Property. Tenant also agrees to use reasonable efforts to locate its remediation and/or monitoring equipment, if any (subject to the requirements of Tenant's consultant and governmental agencies with jurisdiction over the Premises, the Building and the Property) in a location which will allow Landlord, to the extent reasonably practicable, the ability to lease the

Premises, the Building and the Property to a subsequent user. Any Hazardous Materials contamination on, in, under or about the Premises and the Affected Areas at the expiration or earlier termination of this Lease which is not disclosed by Tenant prior to the Effective Date shall be presumed to have arisen in connection with Tenant's environmental activities under this Lease. Notwithstanding anything above to the contrary, if any clean-up or monitoring procedure is required by any applicable governmental authorities in, on, under or about the Premises and the Affected Areas during the Term as a consequence of any Hazardous Materials contamination and the procedure for clean-up is not completed (to the satisfaction of the applicable governmental authorities) prior to the expiration or earlier termination of this Lease then Tenant shall remain obligated to perform the same right until the date that the clean-up procedure is completed.

(f) Tenant's Duty to Notify Landlord Regarding Releases. Tenant agrees to promptly notify Landlord of any Release of Hazardous Materials in the Premises, the Building or any other portion of the Property which Tenant becomes aware of during the Term of this Lease, whether caused by Tenant or any other persons or entities. In the event of any release of Hazardous Materials caused or permitted by Tenant or any of Tenant Agents, Landlord shall have the right, but not the obligation, to cause Tenant, at Tenant's sole cost and expense, to immediately take all reasonable steps Landlord deems necessary or appropriate to remediate such Release and prevent any similar future release to the satisfaction of Landlord and Landlord's mortgagee(s). Tenant will, upon the request of Landlord at any time during which Landlord has reason to believe that Tenant is not in compliance with this Section 16 (and in any event no earlier than sixty (60) days and no later than thirty (30) days prior to the expiration of this Lease), cause to be performed an environmental site assessment of the Premises at Tenant's expense by an established environmental consulting firm reasonably acceptable to Landlord. In the event the audit provides that Corrective Action is required then Tenant shall immediately perform the same at its sole cost and expense.

(g) Tenant's Environmental Indemnity. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord, and Landlord's members, partners, sub-partners, independent contractors, officers, directors, shareholders, employees, agents, successors and assigns (collectively, the "**Landlord Parties**") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Property and which are caused or permitted by Tenant or any of Tenant Agents during the Term of this Lease, including arising from or caused in whole or in part, directly or indirectly, by or related to (i) the presence in, on, under or about the Premises and the Affected Areas, of any Hazardous Materials; (ii) Tenant's or Tenant's Agents' actual, proposed or threatened use, treatment, storage, transportation, holding, existence, disposition, manufacturing, control, management, abatement, removal, handling, transfer, generation or Release (past, present or threatened) of Hazardous Materials to, in, on, under, about or from the Premises and the Affected Areas; (iii) non-compliance or violations of any Environmental Laws in connection with Tenant or Tenant's Agents and/or the Premises and/or the Affected Areas for actions arising after the Commencement Date; (iv) personal injury claims; (v) the payment of any environmental liens, or the disposition, recording, or filing or threatened disposition, recording or filing of any environmental lien encumbering or otherwise affecting the

Premises and/or the Affected Areas; (vi) direct damages for the loss or restriction of use of that part of the Premises and/or the Property affected; (vii) the cost of any investigation of site conditions; and (viii) the cost of any repair, clean-up or remediation ordered by any governmental or quasi-governmental agency or body or otherwise deemed necessary in Landlord's reasonable judgment. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises, the Building and/or the Property, or the preparation and implementation of any closure, remedial action or other required plans in connection therewith; provided, however, that Tenant's indemnity obligation shall not extend to any matter in clauses (i) or (viii) above directly caused or materially exacerbated by Landlord and/or any Landlord Parties. For purposes of the indemnity provisions in this Section 16, any acts or omissions of Tenant and/or Tenant Agents or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Tenant. The provisions of this Section 16(g) will survive the expiration or earlier termination of this Lease.

(h) Intentionally Omitted.

(i) Landlord's Environmental Indemnity. Landlord indemnifies and shall defend, hold and save Tenant, and Tenant's members, partners, sub-partners, independent contractors, officers, directors, shareholders, employees, agents, successors and assigns (collectively, "**Tenant Parties**") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, reasonable attorneys' fees, reasonable consultant fees and reasonable expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Property and which arise during or after the Lease Term as a result of (1) the environmental condition at the Property existing as of or prior to the Commencement Date, (2) the presence in, on, under or about the Common Areas or the non-Premises of any Hazardous Materials; (3) Landlord's or other tenants' actual, proposed or threatened use, treatment, storage, transportation, holding, existence, disposition, manufacturing, control, management, abatement, removal, handling, transfer, generation or Release (past, present or threatened) of Hazardous Materials to, in, on, under, about or from the non-Premises and the Common Areas; (4) any past or present non-compliance or violations of any Environmental Laws in connection with Landlord or other tenants and/or the Common Areas or the non-Premises; (5) personal injury claims not caused by Tenant or Tenant's Agents; (6) the payment of any environmental liens, or the disposition, recording, or filing or threatened disposition, recording or filing of any environmental lien encumbering or otherwise affecting the Common Areas or the non-Premises; (7) damages for the loss or restriction of use of the Common Areas or the non-Premises not caused by Tenant or Tenant's Agents which adversely affects the Permitted Purposes; (8) the cost of any investigation of site conditions in the Common Areas or non-Premises not caused by Tenant or Tenant's Agents; and (9) the cost of any repair, clean-up or remediation ordered by any governmental or quasi-governmental agency or body or otherwise deemed necessary in Landlord's reasonable judgment on the Common Areas or non-Premises areas and not caused by Tenant Agents, or (10) Hazardous Materials contamination on or about the Property otherwise to the extent caused by the gross negligence or willful misconduct of any Landlord Party; provided, however, that Landlord's indemnity obligation shall not extend to any matter in clauses (1) or (10) above directly caused or materially exacerbated by Tenant and/or any Tenant Agents. For purposes of the indemnity provisions in this Section 16(i), any acts or omissions of Landlord and/or Landlord's employees, agents, contractors or others acting for or on behalf of Landlord (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Landlord.

17. Event of Default; Remedies. In the event: any monthly installment of Base Rent, Operating Expenses, or additional rent owed by Tenant to Landlord hereunder is not paid at the time and place when and where due, and Tenant fails to pay any such sum within ten (10) days after written notice from Landlord (provided that Tenant shall have the ability to cure a default for delinquent Rent in accordance with Section 3(c); the Premises shall be deserted or vacated without Landlord's prior written consent (provided that Tenant shall not be deemed to have deserted or vacated the Premises if it ceases operations therein but continues to pay all monthly installment of Base Rent, Operating Expenses or additional rent owed by Tenant to Landlord hereunder and perform its repair and maintenance duties as required under this Lease); Tenant fails to comply with any term, provision, condition, or covenant of this Lease, other than the payment of Tenant's monthly installment of Base Rent, Operating Expenses or additional rent, and such failure is not cured within thirty (30) days after written notice to Tenant of such failure to comply (or in the case of a failure which, by its nature, cannot be cured within such thirty (30)-day period, then within such longer period not to exceed ninety (90) days as may be reasonably necessary to effectuate a cure thereof); or a lien is filed against the Premises or Landlord's estate therein by reason of any work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to Tenant or anyone holding the Premises by, through or under Tenant, and Tenant fails to cause the same to be vacated and canceled of record, or bonded off in accordance with applicable law, within thirty (30) days after Tenant's receipt of written notice of the filing of such lien (each, an "**Event of Default**"), Landlord shall have the option during the continuance of any such Event of Default, to do any of the following (to the extent permitted by applicable law):

(i) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. Tenant agrees to indemnify Landlord for all loss, damage and expense which Landlord may suffer by reason of such termination, whether through inability to relet the Premises, through decrease in rent, through incurring court costs, attorneys' fees or other costs in enforcing this provision or otherwise;

(ii) With or without terminating this Lease, terminate Tenant's right of possession, and, at Landlord's option (with or without notice or resort to legal proceedings) reenter, take possession of and rent the Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper. Tenant shall be liable to Landlord for the deficiency, if any, between Tenant's Base Rent under this Lease and the rent obtained by Landlord on reletting and for any damage, reasonable attorney's fees or other costs incurred by Landlord in enforcing its rights under this provision, provided, Landlord shall use commercially reasonable efforts to re-lease the Premises to a satisfactory tenant under no less favorable terms and conditions as set forth in this Lease;

(iii) Apply for and obtain a dispossessory action against Tenant and hold Tenant liable for all costs incident to seeking such dispossessory action, including reasonable attorney's fees or other costs; or

(iv) As agent of Tenant, do whatever Tenant is obligated to do by the provisions of this Lease and enter the Premises, by force if necessary, without being subject to prosecution or liable for any claims for damages therefor, to accomplish this purpose. Tenant agrees to reimburse Landlord immediately upon written demand for any expenses which Landlord may incur in thus effecting compliance with this Lease on behalf of Tenant and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies provided in this Lease or any other remedies provided by law or in equity. Any notice under this Lease may be given by Landlord or its attorney. Upon the existence of any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (i) obtaining possession of the Premises, (ii) removing and storing Tenant's or any other occupant's property, (iii) repairing, restoring, renovating, altering, remodeling, or otherwise putting the Premises into the condition required of Tenant at the end of the Term, (iv) if Tenant is dispossessed of, or vacates or abandons, the Premises and this Lease is not terminated, reletting all or any part of the Premises (including, but not limited to, brokerage commissions, cost of tenant finish work, advertising and promotional expenses, and other costs incidental to such reletting), (v) performing Tenant's obligations which Tenant failed to perform, and (vi) enforcing its rights, remedies, and recourses arising out of the event of default. If any Base Rent or other sum due and owing under this Lease is collected by or through an attorney at law through the occurrence of an event of default, then, in addition to such sums, Tenant shall also pay Landlord's reasonable attorneys' fees and other reasonable costs incurred in such collection.

18. Access by Landlord. With no less than twenty-four (24) hours' prior notice to Tenant (except in an emergency), Landlord and its agents, employees and representatives shall have the right to enter and/or pass through the Premises at reasonable business hours (except in the event of emergency, when entry may be at any time) during the Term for the purpose of (a) examining and inspecting the Premises to insure compliance by Tenant with the terms and conditions hereof, including, without limitation, the provisions of Section 16; (b) inspecting, testing, monitoring, repairing and maintaining utility lines, fire sprinklers and fire protection systems, alarm systems, backflow preventers, and mechanical, plumbing, HVAC or other systems serving the Building; (c) performing maintenance and making repairs as Landlord is required to perform under the terms and conditions hereof, or performing repairs to Landlord's adjoining property, if any; or (d) showing the Premises to prospective purchasers or, in the last year of the Term, to prospective tenants. Landlord shall use good faith, reasonable efforts to limit interference with Tenant's business operations and use and occupancy of the Premises.

19. Holding Over. If Tenant remains in possession of the Premises after expiration or early termination of the Term, (i) Base Rent shall remain unchanged for the first 30 days of the holdover, (ii) from the 31st through the 60th day of the holdover, Tenant shall pay[* * *] percent ([* * *]%) of Base Rent for such month, (iii) from the 61ststst through the 90th day of the holdover, Tenant shall pay [* * *] percent ([* * *]%) of Base Rent for such month, and after the ninety (90) days of holdover, such holdover shall be as a tenant at sufferance and not as a tenant at will, and the Base Rent shall be [* * *] percent ([* * *]%) of the amount in effect at the end of the Term. Further, in the event Tenant remains in possession of the Premises for more than thirty (30) days after the expiration of the Term, Tenant shall also be responsible for and pay all actual damages sustained by Landlord by reason of Tenant's remaining in possession. In no event shall the collection or payment of Base Rent during such holdover period cause Tenant to be or be deemed a tenant at will. Should Tenant fail to so vacate the Premises upon the end of the term, Tenant shall be subject to dispossession without further notice, by summary dispossessory proceedings, in addition to any and all other remedies to which Landlord may be entitled by law or under this Lease. No holding over by Tenant without the express written consent of Landlord shall operate to extend the Term of this Lease.

20. Decommissioning. At least sixty (60) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with (a) a facility decommissioning and Hazardous Materials closure plan for the Premises (collectively, "**Decommissioning Plan**") prepared by an independent third party reasonably acceptable to Landlord, and (b) commercially reasonable written evidence of all appropriate governmental releases obtained by Tenant in accordance with applicable Environmental Laws, including requirements pertaining to the surrender of the Premises (the "**Closure Report**"). Tenant shall remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Decommissioning Plan and caused by Tenant or any Tenant Agents and compliance with any recommendations set forth in the Decommissioning Plan. Tenant shall, upon the expiration or earlier termination of this Lease, furnish to Landlord commercially reasonable evidence that Tenant has closed all governmental permits and licenses, if any, issued in connection with Tenant's or Tenant Agents' activities at the Premises.

21. Notices. Subject to Section 18, Any notice given pursuant to this Lease must be in writing and simultaneously sent by email and by certified mail, return receipt requested, or reputable overnight courier to:

Landlord: Becton Dickinson Infusion Therapy Inc.
1 Becton Drive, MC 112
Franklin Lakes, New Jersey 07417
Attention: Real Estate Manager, Americas

Email: [ ]

with copies to: Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
Email: joseph_lasala@bd.com

Tenant:

with copies to:

[* * *] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

Either party may change its address for notices under this Lease by written notice properly delivered to the other party as provided in this Section 21. Any notice sent in the manner set forth above shall be deemed delivered for all purposes hereunder on the day said notice is deposited in the mail or with the courier.

22. Exterior Signs. Subject to the terms and conditions of this Lease, Tenant shall have the right to erect at Tenant's sole cost and expense Tenant's customary identification sign on the front entrance of the Premises. This sign shall not be other than a customary trade sign, professionally prepared and identifying the business of Tenant. Tenant shall not paint or deface the exterior walls of the Building and Tenant shall not use any adhesive or similar type fasteners for any signs Tenant is permitted to install pursuant to this Lease. All signage must be approved in writing in advance by Landlord (such approval shall not be unreasonably withheld, conditioned or delayed), and such signage shall, at all times, be subject to and in conformity with: (a) all applicable laws within the jurisdiction having control over the Premises, (b) all applicable zoning ordinances and building restrictions, and (c) all applicable covenants of record. Landlord may require, in its sole discretion, a scaled drawing provided by Tenant of such proposed signage prior to Landlord's approval of the same. In the event a sign is erected by Tenant without Landlord's consent, Landlord shall have the right to remove said sign and charge the cost of such removal to Tenant as additional rent under this Lease. In the event Landlord implements a program for directional or wayfinding signage for the Property, Landlord shall include Tenant's signage as part of such program. In no event shall Tenant utilize any portable or vehicular signs at the Premises. On or before the expiration or prior termination of this Lease Tenant shall, at its sole cost and expense, remove any signage erected, and shall repair any damage or disfigurement, and close any holes, caused by such removal.

23. Estoppel Certificates; Financial Statements. Tenant agrees, from time to time, within ten (10) Business Days after written request from Landlord, to execute and deliver to Landlord, or Landlord's designee, an estoppel certificate, stating that this Lease is in full force and effect, the date to which Base Rent has been paid, to the actual knowledge of Tenant, whether Landlord is or is not in default under this Lease (or specifying in detail the nature of Landlord's default), the expiration date of this Lease and such other matters pertaining to this Lease as may be reasonably requested. In addition, if at any time Tenant or Tenant's parent entity is not a company listed with a public stock exchange, and Landlord, any superior lessor or any holder of a mortgage on the fee or leasehold estate requests a copy of Tenant's current financial statement, Tenant agrees to furnish a copy certified by a duly authorized officer of Tenant within ten (10) Business Days after written request to Tenant.

24. Brokerage. Each of Landlord and Tenant represents and warrants to the other that it has dealt with no real estate broker, agent or finder in connection with this Lease and that no broker is entitled to any commission on account of this Lease. Each party covenants and agrees to indemnify and hold the other harmless from any and all loss, liability, damage, claim, judgment, cost and expense (including without limitation reasonable attorneys' fees and litigation costs) that may be incurred or suffered by the other to the extent caused by any claim for any fees, commission or similar compensation with respect to this Lease, made by any broker, agent or finder claiming by, through or under the indemnifying party, whether or not such claim is meritorious.

25. Executive Order No. 13224. Each of the parties hereto warrant and represents to the other that (a) the name of the party used in this Lease is the party's lawful, true, and correct name; (b) the party is not listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury pursuant to the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (September 25, 2001) (the "**List**"); and (c) unless publicly traded (or owned by a publicly traded company), the party is not owned or controlled by, nor acts for or on behalf of, any individual or legal entity on the List. Each of the parties hereto agrees that in the event at any time such warranties and representations are not true and correct, the other party may, in addition to any other remedies provided in this Lease, terminate this Lease, whereupon neither party shall have any further obligation under this Lease.

26. Subordination. Tenant's rights under this Lease shall always be subject and subordinate to the lien of any bona fide mortgage which is now, or may hereafter be, placed upon the Premises, Property or Landlord's rights hereunder. Tenant agrees to execute and deliver such documentation as may be required to evidence such subordination within ten (10) Business Days of receipt of a request for same. Tenant agrees to send all Base Rent and any other payments due hereunder and/or notices to any recipient(s) hereafter designated by Landlord, including its lender (or, with respect to Base Rent and any other payments due hereunder, to an account controlled by such lender). Notwithstanding the foregoing, Tenant agrees that any holder of such mortgage (the "**Superior Mortgagee**") may elect in writing at any time that all (or any part, as Superior Mortgagee designates) of the right, title, and interest of such Superior Mortgagee shall be subordinate to this Lease and Tenant's rights and claims under this Lease (a "**Subordination Election**"). Any Subordination Election shall become effective when a copy or original of it is either delivered to Tenant or recorded. Such Superior Mortgagee's right, title, and interest in the Premises shall then become subordinate to the Lease, whether the Lease is dated before or after the date of such Superior Mortgagee's interest in the Premises, to the extent set forth in the Subordination Election. Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage placed upon the Premises, attorn to any mortgagee or the purchaser upon any such foreclosure or sale and recognize such mortgagee or purchaser as Landlord under this Lease and Tenant agrees to execute and deliver commercially reasonable documentation as may be reasonably required to evidence such attornment within ten (10) days of receipt of a request for same. Notwithstanding the foregoing in this Section 26, Tenant's agreement to subordinate this Lease and its rights hereunder as to any current or future mortgage is conditioned upon Landlord's (or any successor in interest) delivery to Tenant of a recordable agreement on any future mortgagee's standard form or in form and substance reasonably acceptable to Tenant, Landlord and such superior mortgagee, by which such superior mortgagee shall agree not to disturb Tenant's possession and occupancy of the Premises or join Tenant in any such action as a party defendant, unless necessitated by law, so long as Tenant is not in default under this Lease.

27. Exculpation. ANY MONEY JUDGMENT AGAINST LANDLORD SHALL BE SATISFIED ONLY OUT OF THE RIGHT AND LEASEHOLD ESTATE INTEREST OF LANDLORD IN THE BUILDING AND THE PROCEEDS THEREOF, AND IN NO EVENT SHALL TENANT HAVE THE RIGHT TO LEVY EXECUTION AGAINST ANY PROPERTY OF LANDLORD OTHER THAN ITS INTEREST IN THE BUILDING AND THE PROCEEDS THEREOF.

28. Quiet Enjoyment; Access to Premises. Landlord covenants that Tenant upon keeping and performing each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, shall quietly enjoy the Demised Premises without disturbance by Landlord or by any other person lawfully claiming by, through or under Landlord subject to the covenants, agreements, terms, provisions and conditions of this Lease and the effect of the application of same.

29. Miscellaneous. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect Base Rent or additional rent for the period prior to termination thereof. All rights, powers and privileges conferred under this Lease upon parties hereto shall be cumulative but not restrictive to those given by law. The failure of either party to exercise any power given to it hereunder, or to insist upon strict performance of any one or more of the obligations under this Lease, or to exercise any election contained in this Lease, shall not be construed as a waiver or relinquishment of the right to demand strict compliance with the terms hereof for the future performance of the terms and conditions of this Lease or of the right to exercise such election. The receipt and acceptance by Landlord of Base Rent or additional rent with knowledge of breach by Tenant of any obligation under this Lease shall not be deemed a waiver of such breach. This Lease shall be governed by the laws of the State of Nebraska. "**Landlord**" as used in this Lease shall include Landlord, its heirs, representatives, assigns, and successors in interest to Landlord's interest(s) in and to this Lease and/or to the Premises. In the event that any court of competent jurisdiction shall determine that any provision of this Lease is invalid, such determination shall not affect the validity of any of its other provisions, which shall remain in full force and effect and which shall be construed as to be valid under applicable law. In no event shall either party be liable or responsible for consequential, special, indirect, incidental, exemplary or punitive damages arising out of this Lease. Landlord and Tenant hereby waive trial by jury in any action or proceeding arising under this Lease. This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied in this Lease, shall be of any force or effect. This Lease may only be amended in a writing signed by both parties. This Lease may be executed in multiple counterparts and/or electronically, each of which shall be deemed an original and all of which together shall constitute a single instrument.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, effective the day and year first above written.

LANDLORD:

BECTON DICKINSON INFUSION THERAPY INC., a Delaware corporation

By: _____
Name:
Its:

TENANT:

EMBECTA CORP., a Delaware corporation

By: _____
Name:
Its:

Exhibit 10.17

Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

FORM OF INTELLECTUAL PROPERTY MATTERS AGREEMENT

BY AND BETWEEN

BECTON, DICKINSON AND COMPANY

AND

EMBECTA CORP.

DATED AS OF [ ], 2022

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INTELLECTUAL PROPERTY MATTERS AGREEMENT

This INTELLECTUAL PROPERTY MATTERS AGREEMENT (this "Agreement"), dated as of [•] (the "Effective Date"), is by and between Becton, Dickinson and Company, a New Jersey corporation ("Parent"), and Embecta Corp., a Delaware corporation ("SpinCo" and, together with Parent, the "Parties" and each, a "Party").

R E C I T A L S

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to separate the SpinCo Business from the Parent Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Parent Shares on the Record Date of all outstanding SpinCo Shares owned by Parent (the "Distribution");

WHEREAS, to effectuate the Separation and the Distribution, Parent and SpinCo have entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation and Distribution Agreement");

WHEREAS, to facilitate and provide for an orderly transition in connection with the Separation and the Distribution, Parent and its Subsidiaries (in such capacity, the "Parent Licensors") wish to grant to SpinCo and its Subsidiaries (in such capacity, the "SpinCo Licensees") licenses to certain Parent Patch Pump Patents, Parent Dual-Use Patents, Parent Licensed Other IP and Manufacturing Line IP, and SpinCo and its Subsidiaries (in such capacity, the "SpinCo Licensors") wish to grant to Parent and its Subsidiaries (in such capacity, the "Parent Licensees"), licenses to certain SpinCo Patents and SpinCo Other IP, in each case, as and to the extent set forth herein; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements represent the integrated agreement of Parent and SpinCo relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. As used herein, the following terms have the meanings set forth below. Unless the context otherwise requires, capitalized terms that are not defined in this Agreement shall have the meanings set forth in the Separation and Distribution Agreement.

(a) "BD Name and BD Marks" has the meaning set forth in the Separation and Distribution Agreement.

(b) "Cannula Supply Agreement" means the Cannula Supply Agreement, entered into as of [•], by and between Parent and SpinCo.

(c) "Change of Control" means, with respect to a Party: (i) a merger or consolidation of such Party with a Third Party, but only if the voting securities of such Party outstanding immediately prior thereto (or, if such voting securities are converted or exchanged in such merger or consolidation, any securities into which such voting securities have been converted or exchanged) neither represents (x) at least fifty percent (50%) of the combined voting power of the surviving entity of such merger or consolidation nor (y) at least fifty percent (50%) of the ultimate parent of such surviving entity immediately after such merger or consolidation; (ii) a transaction or series of related transactions (other than a merger or consolidation, which is addressed in clause (i)) in which a Third Party, together with its Affiliates, becomes the beneficial owner of fifty percent (50%) or more of the combined voting power of the outstanding securities of such Party; or (iii) the sale or other transfer to a Third Party, directly or indirectly, of all or substantially all of such Party's assets or business to which the subject matter of this Agreement relates.

(d) "Excluded Technology" means the Retained Cannula IP and Manufacturing Line IP.

(e) "Licensed BD Marks" means the Marks listed on Schedule I.

(f) "Licensed Cannula Marks" means the Marks listed on Schedule II.

(g) "Licensed Marks" means the Licensed BD Marks, Licensed Technology Marks and Licensed Cannula Marks.

(h) "Licensed Technology Marks" means the Marks listed on Schedule III.

(i) "Licensee(s)" means the Parent Licensees or the SpinCo Licensees, as applicable, in their capacities as the licensees or grantees of the rights or licenses granted to them by the SpinCo Licensors or the Parent Licensors, as applicable, pursuant to Article II and Article IV.

(j) "Licensor(s)" means the Parent Licensors or the SpinCo Licensors, as applicable, in their capacities as the licensors or grantors of any rights or licenses granted by them to the SpinCo Licensees or the Parent Licensees, as applicable, pursuant to Article II and Article IV.

(k) "Manufacturing Line IP" has the meaning set forth in Exhibit A of this Agreement.

(l) "Parent Business" has the meaning set forth in the Separation and Distribution Agreement.

(m) "Parent Dual-Use Patents" means (i) the Patents set forth in Schedule IV, (ii) any Patent added to Schedule IV following the date hereof in accordance with Section 3.5, (iii) any Patent that issues after the Effective Time that claims priority to any Patent in clause (i) or (ii), and (iii) any foreign counterparts to any of the foregoing. In addition, the Parent Dual-Use Patents shall include any Patent that issues after the Effective Time that claims an invention identified in the invention records set forth on Schedule IV.

(n) "Parent Field" means all fields other than the SpinCo Field.

(o) "Parent Licensed Other IP" means the Intellectual Property Rights (other than (i) Patents, Marks and Internet Properties and (ii) the SpinCo Intellectual Property) that is owned by Parent or its Subsidiaries as of immediately after the Distribution and embodied in or by any of the SpinCo Technology.

(p) "Parent Patch Pump Patents" means (i) the Patents set forth in Schedule V, (ii) any Patent that issues after the Effective Time that claims priority to any Patent in clause (i), and (iii) any foreign counterparts to any of the foregoing. In addition, the Parent Patch Pump Patents shall include any Patent that issues after the Effective Time that claims an invention identified in the invention records set forth on Schedule V.

(q) "Parent Technology" means any and all Technology, including any know-how or knowledge of any employees of the Parent Business, used in or held for use in the operation of the Parent Business.

(r) "Patch Pump Products" means any drug delivery device adhered or attached to the user's body, comprising a means for accessing the user's body, a reservoir which may be filled at time of use or pre-filled, a pumping mechanism for pumping fluid from the reservoir, and internal fluid pathway(s) within the device body providing a conduit from the reservoir to the user's body, and accessories thereto. Patch Pump Products may deliver doses of medication (including basal and/or bolus doses) from the reservoir, may also include an insertion mechanism for inserting and/or shielding a catheter, may include a variety of sensors and/or alarms for sensing and reporting various states of the device, and may include a communication system for communicating to an external controller. Patch Pump Products do not include: (i) infusion sets, which are devices that are externally tethered to a durable infusion pump, such as Medtronic's MiniMed™ Quick-set™, MiniMed™ mio™, MiniMed™ Silhouette™, and MiniMed™ Sure-T™, (such infusion sets being part of the subject matter to which Section 2.3 relates) or (ii) non-wearable, large volume pumps or a non-wearable syringe pump, such as the BD Alaris™ or the BD Bodyguard™ infusion pumps.

(s) "Patch Pump Technology" means any Parent Technology or SpinCo Technology related to Patch Pump Products.

(t) "Product" has the meaning set forth in the Cannula Supply Agreement.

(u) "Retained Cannula IP" means Intellectual Property Rights in the Technology relating to Parent cannula, manufacture thereof, and other critical cannula-related technology, including steel strip material specifications and processing, tubing welding and forming, tubing drawing/sinking processes, tubing cutting, tubing straightening, fabrication of point geometries (including grinding and etching), cannula cleaning, cannula bulk packaging, cannula inspection technologies (including point geometry) and patency.

(v) "SpinCo Business" has the meaning set forth in the Separation and Distribution Agreement.

(w) "SpinCo Field" means the diabetes care sector.

(x) "SpinCo Intellectual Property Rights" has the meaning set forth in the Separation and Distribution Agreement.

(y) "SpinCo Other IP" means the SpinCo Intellectual Property Rights (other than Patents, Marks and Internet Properties) that are embodied in or by any Parent Technology.

(z) "SpinCo Patents" means (i) the Patents included in the SpinCo Intellectual Property Rights, (ii) any Patent that issues after the Effective Time that claims priority to any Patent in clause (i), and (iii) any foreign counterparts to any of the foregoing. In addition, the SpinCo Patents shall include any Patent that issues after the Effective Time that claims an invention identified in the invention records set forth on Schedule VI.

(aa) "SpinCo Product" has the meaning set forth in the Cannula Supply Agreement.

(bb) "SpinCo Technology" has the meaning set forth in the Separation and Distribution Agreement.

(cc) "Zodiac Line IP" has the meaning set forth in Exhibit A of this Agreement.

Section 1.2 Other Definitions. As used herein, the following terms have the meanings set forth in the Sections set forth below.

Term	Section
Acquired Business	8.4
Acquired Party	8.4
Acquiring Party	8.4
Agreement	Preamble
Bankruptcy Code	5.1
BD Mark Term	4.1(a)
Discussion Period	Section 7.1(b)
Distribution	Recitals
Effective Date	Preamble

Parent	Preamble
Parent Board	Recitals
Parent Licensees	Recitals
Parent Licensors	Recitals
Parties	Preamble
Party	Preamble
Patent Action	3.7(b)
Separation	Recitals
Separation and Distribution Agreement	Recitals
SpinCo	Preamble
SpinCo Licensees	Recitals
SpinCo Licensors	Recitals
Steering Committee	Section 7.1(b)
Uncured Breach Notice	Section 7.1(b)

ARTICLE II

INTELLECTUAL PROPERTY LICENSES

Section 2.1 License to Parent for Certain Diabetes Care Technology.

(a) *Patent License*. Subject to the terms and conditions of this Agreement, the Parent Licensees hereby retain, and the SpinCo Licensors agree to grant, and hereby grant, to the Parent Licensees a nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), irrevocable (except as provided in Section 7.1(a)), worldwide license under the SpinCo Patents to make, have made, import, use, offer to sell, sell, and otherwise provide any current and future product or service, including to practice any method, process or procedure claimed in any of the SpinCo Patents, in each case, solely within the Parent Field.

(b) *Know-How License*. Subject to the terms and conditions of this Agreement, the Parent Licensees hereby retain, and the SpinCo Licensors agree to grant, and hereby grant, to the Parent Licensees a nonexclusive, sublicensable (to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), perpetual, irrevocable (except as provided in Section 7.1(a)), worldwide license under the SpinCo Other IP to use, reproduce, distribute, disclose, make, modify, improve, display and perform, create derivative works of, or otherwise exploit any Parent Technology, in each case, solely within the Parent Field.

Section 2.2 License to SpinCo for Patch Pump Technology.

(a) *Patent License*. Subject to the terms and conditions of this Agreement, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), irrevocable (except as provided in Section 7.1(a)), worldwide license under the Parent Patch Pump Patents to make, have made, import, use, offer to sell, sell, and otherwise provide any current and future products or services,

including to practice any method, process or procedure claimed in any of the Parent Patch Pump Patents, in each case, solely with respect to the SpinCo Field; provided that the foregoing license does not extend to the Excluded Technology or any Intellectual Property Rights embodied therein; provided, further, that the foregoing license shall be exclusive (including as to Parent Licensors) solely with respect to Patch Pump Products developed or commercialized for infusion of insulin or insulin analogs.

(b) *Know-How License*. Subject to the terms and conditions of this Agreement, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), perpetual, irrevocable (except as provided in Section 7.1(a)), worldwide license under all of the Parent Licensed Other IP to use, reproduce, distribute, disclose, make, modify, improve, display and perform, create derivative works of, or otherwise exploit any Patch Pump Technology, in each case, solely with respect to Patch Pump Products in the SpinCo Field; provided that the foregoing license does not extend to the Excluded Technology or any Intellectual Property Rights embodied therein. During the term of the foregoing license, Parent Licensors agree that they will not, and will not permit or authorize any Third Party to, exploit any Patch Pump Technology for the development or commercialization of Patch Pump Products for infusion of insulin or insulin analogs.

(c) *Exclusivity Covenant*. For a period of ten (10) years following the Effective Date, SpinCo Licensees will not, and will not permit or authorize any Third Party to, commercialize a Patch Pump Product with the features set forth in Schedule VII for applications other than infusion of insulin or insulin analogs. In the event the SpinCo Licensees acquire a Third Party, the covenant in this Section 2.2(c) shall not extend to such Third Party's Patch Pump Products (and natural extensions of such products) sold, distributed, provided or otherwise commercialized at any time prior to the consummation of such transaction resulting in the acquisition of such Third Party; provided, for clarity, that the licenses granted herein will not extend to any such Patch Pump Products of the Third Party.

Section 2.3 License to SpinCo for Dual-Use Technology.

(a) *Patent License*. Subject to the terms and conditions of this Agreement, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), irrevocable (except as provided in Section 7.1(a)), worldwide license under the Parent Dual-Use Patents to make, have made, import, use, offer to sell, sell, and otherwise provide any current and future products or services, including to practice any method, process or procedure claimed in any of the Parent Dual-Use Patents, in each case, solely with respect to the SpinCo Field; provided that the foregoing license does not extend to the Excluded Technology or any Intellectual Property Rights embodied therein; provided, further, that the foregoing license shall be exclusive (including as to Parent Licensors) solely with respect to syringe or pen needle products promoted, marketed or labeled for injection of insulin or insulin analogs (for avoidance of doubt, marketing excludes a sale by Parent Licensors where there is no other marketing-type activity directed to, and where there is no promotion or labeling of, syringes or pen needles for injection of insulin or insulin analogs).

(b) *Know-How License*. Subject to the terms and conditions of this Agreement, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable (except as set forth in Section 8.4), perpetual, irrevocable (except as provided in Section 7.1(a)), worldwide license under all the Parent Licensed Other IP to use, reproduce, distribute, disclose, make, modify, improve, display and perform, create derivative works of, or otherwise exploit any SpinCo Technology (including, for clarity, Zodiac Line IP), in each case, solely with respect to the SpinCo Field; provided that the foregoing license does not extend to (i) Patch Pump Technology or Intellectual Property Rights embodied therein that are subject to the license in Section 2.2, and (ii) the Excluded Technology or any Intellectual Property Rights embodied therein. For a ten (10)-year period from Separation, Parent Licensors agree that they will not, and will not permit or authorize any Third Party to, exploit any SpinCo Technology for syringe or pen needle products promoted, marketed or labeled for injection of insulin or insulin analogs (for avoidance of doubt, marketing excludes a sale by Parent Licensors where there is no other marketing-type activity directed to, and where there is no promotion or labeling of, syringes or pen needles for injection of insulin or insulin analogs).

(c) *Exclusivity Covenant*. Parent Licensors shall not, and shall not permit or authorize any Third Party to, commercialize SafetyGlide TNT syringes (or products not more than colorably distinct therefrom) labeled and sold specifically for diabetes applications. Examples of such syringes include BD catalog numbers 305946, 328449 and 328447.

(d) *Parent Business*. Nothing in this Section 2.3 shall prohibit Parent Licensors from (i) operating the Pharmaceutical Systems business of Parent in substantially the same manner as operated as of the Separation (including commercializing the BD Vystra™ disposable pen, the BD Intevia™ and BD Physioject™ Autoinjectors, and the BD Hypak™, BD Neopak™ and BD Sterifill Advance™ pre-fillable syringe product lines, and natural extensions of the foregoing products), (ii) selling any prefillable syringe product to a pharmaceutical or biotech company (or to a person on behalf of such pharmaceutical or biotech company (*e.g.*, a contract manufacturer)), or (iii) commercializing BD Luer Slip Tip™ syringes.

(e) *Contract Manufacturing Agreements*. Nothing in this Section 2.3 shall limit Parent Licensors' rights (including rights to promote, market and sell) with respect to pen needles supplied by SpinCo under the Contract Manufacturing Agreements.

Section 2.4 Non-Policing. Notwithstanding the field limitations and obligations in this Article II, neither Party shall have an obligation to police or enforce end use of its products so long as such Party has complied with the applicable field limitations and obligations in this Article II.

Section 2.5 License to SpinCo for Manufacturing Line IP. Subject to the terms and conditions of this Agreement, Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees the licenses to Manufacturing Line IP in accordance with the terms set forth in Exhibit A.

ARTICLE III

ADDITIONAL LICENSE TERMS

Section 3.1 Rights of Subsidiaries.

(a) All rights and licenses granted in Article II are granted to SpinCo and Parent as a Licensee, respectively, and to any entity that is a Subsidiary of the Licensee, but only for so long as such entity is a Subsidiary of the Licensee, and, except as set forth in Section 3.1(b), will terminate with respect to such entity when it ceases to be a Subsidiary of the Licensee.

(b) Notwithstanding the foregoing, if such entity ceases to be a Subsidiary of Licensee, including by way of a divestiture, spin-off, split-off or similar transaction, the licenses granted in Section 2.1, Section 2.2, and Section 2.3, as applicable, shall continue to apply to such Subsidiary, but only with respect to the line of business that it is engaged in at the effective time of such cessation as a Subsidiary of Licensee; provided that such entity or its successor provides the applicable Licensors hereunder with written notice of its change in status as a Subsidiary of Licensee and agrees in writing to be bound by the terms and conditions of this Agreement, including any license limitations. In the event that such Subsidiary is acquired by a Third Party, the licenses granted herein will not extend to any products, business or operations of such Third Party that exist prior to the date of the consummation of such transaction.

Section 3.2 Sublicensing.

(a) The SpinCo Licensees and the Parent Licensees may sublicense the licenses and rights granted to them in Section 2.1(b), Section 2.2(b) and Section 2.3(b), respectively, to a Third Party solely in connection with the operation of such Licensee's business in the ordinary course, including in connection with the exploitation or licensing of its respective Technology, products and services; provided that (i) each Licensee shall, and shall cause its sublicensees to, comply with Section 5.2; (ii) each Licensee shall not disclose such Trade Secrets or confidential information of the other Party (including Technology that embodies such Trade Secrets or confidential information) to a Third Party, except in connection with the disclosure of such Party's own confidential information or Trade Secrets of at least comparable importance and value; and (iii) each Licensee shall be responsible and liable hereunder for any act or omission of a sublicensee as if such act or omission were taken by Licensee directly.

(b) Except with approval from the Licensor, not to be unreasonably withheld, neither SpinCo Licensee nor Parent Licensee shall sublicense the Patents licensed to it in Section 2.1(a), Section 2.2(a) and Section 2.3(a), respectively, to a Third Party, and neither SpinCo Licensee nor Parent Licensee shall exercise its "make" or "have made" rights in a manner that would have the effect of granting a sublicense to any Third Party. Without limiting the foregoing, SpinCo Licensee or Parent Licensee, as the case may be, may exercise its "make" or "have made" rights only with respect to its own products, the design of which is exclusively owned by it, including private label or original equipment manufacturer (OEM) versions of such products.

Section 3.3 No Other Rights; Retained Ownership.

(a) Each Party acknowledges and agrees that its rights and licenses to the other Party's Intellectual Property Rights are solely as set forth in, and as may be limited by, this Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements. No Licensee shall exercise the respective Intellectual Property Rights licensed to such Licensee in Article II, respectively, outside the relevant licensed field. The Parent Licensors and the SpinCo Licensors retain sole ownership of the Intellectual Property Rights licensed by them in Article II, respectively.

(b) Notwithstanding anything to the contrary set forth in this Agreement, this Agreement grants to the Parent Licensees no right or license to any Intellectual Property Rights that the SpinCo Licensors may own now or in the future, except as expressly set forth in Section 2.1, whether by implication, estoppel or otherwise. The SpinCo Licensors retain sole ownership of the SpinCo Intellectual Property Rights licensed by the SpinCo Licensors under this Agreement.

(c) Notwithstanding anything to the contrary set forth in this Agreement, this Agreement grants to the SpinCo Licensees no right or license to any Intellectual Property Rights that the Parent Licensors may own now or in the future, except as expressly set forth in Section 2.2 and Section 2.3, whether by implication, estoppel or otherwise. The Parent Licensors retain sole ownership of the Parent Intellectual Property Rights licensed by the Parent Licensors under this Agreement.

Section 3.4 Reservation of Rights. All rights not expressly granted by a Party hereunder are reserved by such Party. The rights and licenses granted in Article II are subject to, and limited by, any and all licenses, rights, limitations and restrictions with respect to Intellectual Property Rights previously granted to or otherwise obtained by any Third Party that are in effect as of the Effective Date. Without limiting the foregoing, neither Party shall or shall have the right to file any Patent application based upon, or that includes, in whole or part, an invention disclosure owned by the other Party and licensed to it hereunder.

Section 3.5 Inadvertently Omitted Patents. In the event it is determined within the two (2)-year period following the Distribution that a Patent owned by Parent Licensors as of the Distribution was practiced by the SpinCo Business (other than with respect to Excluded Technology) as of the Distribution, then on request from SpinCo, such Patent shall be deemed for all purposes hereunder to be a Parent Dual-Use Patent as of the Distribution, and Schedule IV attached hereto shall be amended to include such Patent.

Section 3.6 Patent Prosecution and Maintenance.

(a) Subject to Section 3.6(b) and Section 3.6(c), each Party and its Subsidiaries retain the sole right, but not the obligation, to protect at their sole discretion the Patents owned or controlled by such Party and its Subsidiaries, including deciding whether and how to file and prosecute applications included in such Party's Intellectual Property Rights, whether to abandon prosecution of such applications, and whether to discontinue payment of any maintenance or renewal fees with respect to any such registration or issued items.

(b) Each Party, as Licensor of the Patents licensed under Section 2.1(a), Section 2.2(a) and Section 2.3(a), shall cooperate with Licensee to formulate commercially reasonable processes to keep the Licensee reasonably apprised of the status of such Patents, and such processes may vary on a Patent-by-Patent or Technology-by-Technology basis.

(c) Should the Parent Licensors choose to cease prosecution or maintenance of a Parent Patch Pump Patent licensed under Section 2.2(a) or Parent Dual-Use Patent licensed under Section 2.3(a), or choose not to defend the validity or enforceability of such Patent (such as pursuant to an *inter partes* review, opposition, reexamination, business method review, or post-grant challenge to a registration), the Parent Licensors shall promptly offer the SpinCo Licensees the opportunity to take over such prosecution, maintenance or defense (including, without limitation, by assuming an application or by filing a continuation application with respect to any claims abandoned or amended by Parent Licensors), in each case prior to any abandonment of rights therefor. Upon SpinCo Licensee's request, Parent Licensor shall assign any such Patent to a SpinCo Licensee at no cost and provide such assistance and perform such actions as may be requested by SpinCo Licensee in connection therewith or any maintenance, defense, or enforcement thereof. SpinCo Licensees hereby grant Purchaser Licensors a worldwide, nonexclusive, sublicensable (solely to the extent provided in Section 3.2), royalty-free, fully paid, nontransferable and sublicensable (except as set forth in Section 8.4), irrevocable, unrestricted right and license under any such Patent assigned to Purchaser Licensees by Seller Licensors; provided that the field of the foregoing license with respect to (i) any Parent Patch Pump Patent shall not include the SpinCo Licensees' exclusive field in Section 2.2(a), or (ii) any Parent Dual-Use Patent shall not include the SpinCo Licensees' exclusive field in Section 2.3(a). Additionally, if Parent Licensor elects not to seek patent protection in a territory where SpinCo Licensees desires to do so and the corresponding Patent (if issued) would be considered a Parent Dual-Use Patent or Parent Patch Pump Patent, then SpinCo Licensees may require Parent Licensor to facilitate the filing at the SpinCo Licensee's expense, and SpinCo Licensees shall remain obligated to reimburse continuing costs associated with prosecution and maintenance of such Patent.

Section 3.7 Patent Enforcement.

(a) *Notice of Infringement.* In the event that either Party reasonably believes that any Patent licensed to it under Section 2.1(a), Section 2.2(a) and Section 2.3(a), respectively, is being infringed by a Third Party, such Party shall promptly notify the other Party.

(b) *Initiating Actions*. Each Party, as a Licensor and owner of a Patent licensed to the other Party as Licensee, shall have the initial right (but not the obligation), at its own expense, to bring an action for infringement against a Third-Party infringer of any such Patent or to defend any declaratory judgment action seeking to invalidate such Patent or a declaration of non-infringement (either such action, a "Patent Action"). The SpinCo Licensees' enforcement rights with respect to the exclusive rights under the Parent Patch Pump Patents licensed to it under Section 2.2(a) and the Parent Dual-Use Patents licensed to it under Section 2.3(a) shall be governed by Section 3.7(c). Each Party's enforcement rights as a nonexclusive licensee of the Patents licensed to it under Section 2.1(a), Section 2.2(a) and Section 2.3(a), respectively, shall be governed by Section 3.7(c).

(c) *SpinCo Licensees' Exclusive Field*. If the scope of infringement at issue in such a Patent Action involving the Parent Patch Pump Patents or Parent Dual-Use Patents in Section 3.7(b) includes the SpinCo Licensees' exclusive field, then Parent Licensors shall have the first right to determine whether any Patent Action shall be taken, and the SpinCo Licensees may participate at their own expense in such Patent Action insofar as it relates to the SpinCo Licensees' exclusive field, and the Parties will reasonably cooperate with each other in pursuing such action in accordance with Section 3.7(e). If the Parent Licensors fail to initiate an infringement action under Section 3.7(b) within twenty (20) days of a written request by SpinCo Licensees, or do not intend to respond to a declaratory judgment action in a timely manner, and the scope of infringement at issue includes the SpinCo Licensees' exclusive field, then upon notice to Parent Licensors, SpinCo Licensees shall have the second right to initiate such Patent Action (including responding to any declaratory judgment action) at their own expense. In addition, to the extent required to maintain such Patent Action, Parent Licensors shall agree to be named as a party to such Patent Action and may participate in such action at their own expense. The Parties will reasonably cooperate with each other in pursuing such action in accordance with Section 3.7(e).

(d) *Licensees' Nonexclusive Field*. To the extent the scope of infringement at issue in such a Patent Action in Section 3.7(b) is in a Licensee's non-exclusively licensed field, then Licensee may participate at their own expense in such Patent Action insofar as it relates to such Licensee's non-exclusively licensed field, and the Parties will reasonably cooperate with each other in pursuing such action in accordance with Section 3.7(e). Licensee may request in writing that Licensor initiate such a Patent Action, and if Licensor declines Licensee's request (or fails to respond to Licensee's request within thirty (30) days), then Licensee shall have the right to request a meeting, to take place within ten (10) days, between in-house intellectual property counsel and vice president-level or higher business representatives from each Party to attempt in good faith to reach agreement with respect to the Patent Action. For clarity, it will not be unreasonable for Licensor to decline Licensee's request to pursue a Patent Action if Licensor reasonably believes that such Patent Action would likely result in the Licensor's Patent at issue being rendered unpatentable or unenforceable or would otherwise have a significant negative commercial impact on Licensor. If the Parties reach an agreement to pursue the Patent Action, then the Parties will reasonably cooperate with each other in pursuing such action in accordance with Section 3.7(e).

(e) *Cooperation*. Regardless of which Party initiates the Patent Action, each Party shall keep the other Party reasonably informed of all material developments in connection with such Patent Action. Each Party may provide input and comments related to the strategy for any such Patent Action, and the other Party shall consider such input and comments in good faith. In addition, the Parties shall assist one another and cooperate in any such Patent Action at the other's reasonable request and expense, and may participate in such action at its own expense. Such cooperation shall include agreeing to be named as a party to such Patent Action initiated (by filing or counterclaim) by the other Party at the request of the initiating Party and taking such other actions as are necessary for standing or for the Party initiating or defending any action to otherwise maintain or pursue such Patent Action, at the initiating or defending Party's expense. Neither Party shall take any action, or refrain from taking any action, including agreeing to any settlement, that could reasonably be expected to affect the other Party's rights with respect to a Patent without consulting with, and obtaining the consent of, the other Party (which consent shall not be unreasonably withheld or delayed). For clarity, it will not be unreasonable for a Party to withhold such consent if the requested action would be likely to adversely impact the Party's right to exclude others from practicing the Patent in such Party's exclusive field.

(f) *Recovery*. Any damages or other monetary awards recovered from a Patent Action shall be allocated first to reimburse the out-of-pocket costs and expenses of each Party incurred in such Patent Action. For a Patent Action involving a Parent Patch Pump Patent or Parent Dual-Use Patent where the scope of infringement includes the SpinCo Licensees' exclusive field under Section 3.7(c), any remaining recovery shall be allocated in accordance with the damages with respect to infringement in the SpinCo Licensees' exclusive field and outside the exclusive field, respectively. For all other Patent Actions, a meeting among in-house intellectual property counsel and vice president-level or higher business representatives from each Party shall be held, and the Parties shall, in good faith, determine an appropriate allocation of any remaining recovery.

ARTICLE IV

TRADEMARK LICENSE

Section 4.1 License to SpinCo Licensees. Subject to the terms and conditions of this Agreement, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, nontransferable (except as set forth in Section 8.4), non-sublicensable (except as set forth in Section 4.3), fully paid, royalty-free, irrevocable (except as provided in Section 7.1), worldwide license to use:

(a) the Licensed BD Marks in connection with the SpinCo Business for the two (2)-year period following the Distribution Date (the "BD Mark Term") in substantially the same manner as such Licensed BD Marks are used by the SpinCo Business as of the Effective Date, so long as SpinCo Licensees use commercially reasonable efforts to minimize and discontinue the use of the Licensed BD Marks as soon as reasonably practicable after the Effective Time; provided that the BD Mark Term shall extend if required to meet applicable regulatory or transfer requirements, but for no longer than the minimum period required to meet such regulatory or transfer requirements and only with respect to the portion of the license that is reasonably necessary to meet such regulatory or transfer requirements;

(b) the Licensed Technology Marks solely in connection with the marketing, promotion, distribution and sale of current or future products and services of the SpinCo Business; and

(c) the Licensed Cannula Marks solely in connection with the marketing, promotion, distribution and sale of SpinCo Products incorporating any Product (as such terms are defined in the Cannula Supply Agreement) in accordance with, and during the Term of, the Cannula Supply Agreement.

Without limiting the generality of the foregoing, the SpinCo Licensees will use the Licensed Marks hereunder only in such form and appearance as are described on Exhibit B and only in compliance with Section 4.4.

Section 4.2 Rights of Subsidiaries. All rights and licenses granted in Section 4.1 are granted to SpinCo and to any entity that is a Subsidiary of SpinCo, but only for so long as such entity is a Subsidiary of SpinCo, and will terminate with respect to such entity when it ceases to be a Subsidiary of SpinCo.

Section 4.3 No Sublicensing. The licenses granted in Section 4.1 are personal to the SpinCo Licensees, and, except as set forth herein the SpinCo Licensees shall not assign, transfer, sublicense or in any manner purport to convey all or any part of its rights or obligations in Section 4.1 without the prior written consent of the Parent Licensors, which consent may not be unreasonably withheld by the Parent Licensors; provided that, subject to compliance with Section 4.4, SpinCo Licensees shall be permitted to sublicense the licenses granted in Section 4.1 to distributors to the extent necessary for the use and display of the Licensed Marks by distributors in the ordinary course of providing distribution services. Any purported assignment, sublicense or other transfer of the SpinCo Licensees' rights or obligations in violation of this Section 4.3 shall be deemed a material breach of this Agreement and is void.

Section 4.4 Quality Control.

(a) To comply with the Parent Licensors' quality control standards, the SpinCo Licensees shall: (i) adhere to reasonable levels of quality for the services identified by the Licensed Marks that are at least as high as those standards maintained by the Parent Licensors as of the Effective Date and such other specific reasonable updates to the global standards for the level of quality for the services that are communicated from time to time to the SpinCo Licensees; (ii) comply with all applicable Laws and regulations in any country or other governmental jurisdiction; (iii) comply with Parent Licensors' seller rules with respect to the sale of illegal, regulated or restricted items, which are available on Parent Licensors' website on the Effective Date, including any reasonable amendments to those rules that may be made from time to time thereafter on a global basis; provided that such rules or amendments thereto do not conflict with applicable Law; (iv) use the Licensed Marks in accordance with sound trademark and trade name usage principles and adhere to the global usage and display guidelines that are applicable to the SpinCo Business as of the date of execution of this Agreement, that will be provided to SpinCo Licensees and attached as Exhibit B before the Effective Date and that may be amended from time to time thereafter (except that any more restrictive provision of this Agreement will control over such guidelines); and (v) not alter or modify the appearance of the Licensed Marks in any way from the form(s) of display described on Exhibit B or in use in the SpinCo Business as of immediately before the Effective Date. SpinCo Licensees shall appropriately use ™, ® or any other proprietary rights designation provided by the Parent Licensors in connection with each use or display of the Licensed Marks, consistent with the historic practices of Parent or then-current practices of SpinCo with respect to its own Marks.

(b) The SpinCo Licensees shall not use the Licensed Marks in any commercial manner that would, or would reasonably be anticipated to, reflect adversely on the reputation for quality symbolized by the Licensed Marks. The SpinCo Licensees shall not engage in any commercial conduct that would, or would reasonably be anticipated to, place the Licensed Marks or the Parent Licensors in a negative light or context. The SpinCo Licensees shall not use the Licensed Marks in a commercial manner that would, or would reasonably be anticipated to, devalue, injure, demean, or dilute the reputation of the Licensed Marks or the Parent Licensors. The SpinCo Licensees shall not use the Licensed Marks in any commercial manner that would be reasonably likely to tarnish, disparage or reflect adversely on the Parent Licensors or the Licensed Marks.

(c) The SpinCo Licensees shall not make any material changes to the Licensed Marks without the prior written consent of the Parent Licensors, which consent may be withheld in the Parent Licensors' sole discretion.

(d) The SpinCo Licensees shall not use the Licensed Marks in any manner that is reasonably likely to cause consumer confusion as to the source or origin of any goods or services or imply any endorsement by or ongoing association with Parent Licensors (other than as a result of the Separation and other than as the licensee of the Licensed Marks hereunder); and the SpinCo Licensees shall take commercially reasonable precautions necessary to avoid or prevent such confusion as to affiliation or association occurring (for example, by including, where reasonably appropriate, a statement that the Licensed Marks are owned by Parent Licensors and used by SpinCo Licensees under a license.)

(e) To confirm that the SpinCo Licensees' use of the Licensed Marks complies with this Section 4.4:

(i) SpinCo Licensees shall, upon reasonable request by the Parent Licensors, submit to the Parent Licensors representative samples of publicly disseminated materials bearing any of the Licensed Marks that are in the possession or control of the SpinCo Licensees and, if the Parent Licensors find that use of the Licensed Marks in such samples (A) materially deviates from Parent Licensors' use immediately before the Effective Date or (B) is in any manner other than as expressly permitted herein, the SpinCo Licensees shall, upon notice from the Parent Licensors, immediately take steps necessary to correct the identified deviations or misuse of the respective items; provided, however, that if the defect reasonably poses a threat to public health or safety, or an imminent and material threat to the validity of any of the Licensed Marks or to the goodwill associated therewith, the SpinCo Licensees shall, upon notice from the Parent Licensors, immediately cease and direct others to cease all use of the nonconforming materials and all use of the Licensed Marks in connection therewith.

(ii) Not more than twice per year, Parent Licensors shall have the right to inspect, upon at least thirty (30) calendar days' advance notice and during normal business hours, SpinCo Licensees' records, premises and operations reasonably related to its use of the Licensed Marks; provided, however, that Parent Licensors shall have the right to an inspection under this Section 4.4(e)(ii) upon reasonable notice of no less than twenty-four (24) hours if Parent has a reasonable basis to believe a matter in fact needs prompt review. Parent Licensors shall bear their own costs in relation to any such audit.

Section 4.5 Licensee Indemnity. SpinCo Licensees shall indemnify, hold harmless, compensate and reimburse (and if requested by Parent Licensors, defend) the Parent Licensors and any of their officers, directors, managers and Affiliates from and against any and all losses, costs, liabilities, damages or expenses (including reasonable attorneys' fees and litigation costs) arising from any claim, demand, action, suit or other proceeding brought by an unaffiliated Third Party and arising out of SpinCo Licensees' use of any of the Licensed Marks, except any liability or expense in respect of any infringement of Third-Party rights as a result of SpinCo Licensee's use of the Licensed Marks in accordance with the terms and conditions of this Agreement. SpinCo Licensees shall not settle any dispute involving or affecting the rights in or to the Licensed Marks without the prior written consent of Parent Licensors.

Section 4.6 Ownership of Licensed Marks. SpinCo Licensees acknowledge and agree that Parent Licensors own all right, title and interest in and to the Licensed Marks and the goodwill associated therewith and that, except as expressly provided in this Agreement, SpinCo Licensees have and will hereby acquire no rights in the Licensed Marks. Any and all goodwill associated with or that arises from SpinCo Licensees' use of the Licensed Marks shall inure to the sole and exclusive benefit of Parent Licensors. Without limiting the generality of the foregoing, SpinCo Licensees shall not, directly or indirectly, object to or challenge Parent Licensors' ownership, rights in or use of the Licensed Marks or any registration or application for registration of the Licensed Marks or contest the fact that SpinCo Licensors' rights to use the Licensed Marks under this Agreement are solely those of a Licensee, which rights terminate upon expiration of the respective terms or termination of this Agreement. If, at any time, by operation of law or otherwise, SpinCo Licensees acquire any interest in any of the Licensed Marks or the BD Name and BD Marks, SpinCo Licensees hereby assign, and agree to assign, such interest (along with associated goodwill) to Parent Licensors, and SpinCo Licensees shall, upon Parent Licensors' written request, immediately execute, deliver, and record such documents as are necessary to transfer such interest to Parent Licensors or to cancel any registration made in violation of this Agreement.

ARTICLE V

ADDITIONAL TERMS

Section 5.1 Bankruptcy Rights. All rights and licenses granted to a Party as Licensee hereunder, are, for purposes of section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of intellectual property within the scope of section 101 of the Bankruptcy Code. The Licensors acknowledge that the Licensees, as licensees of such rights and licenses hereunder, will retain and may fully exercise all of their rights and elections under the Bankruptcy Code. Each Party irrevocably waives all arguments and defenses arising under 11 U.S.C. § 365(c)(1) or successor provisions to the effect that applicable Law excuses such Party from accepting performance from or rendering performance to an entity other than the debtor or debtor-in-possession as a basis for opposing assumption of this Agreement in a case under Chapter 11 of the Bankruptcy Code to the extent that such consent is required under 11 U.S.C. § 365(c)(1) or any successor statute.

Section 5.2 Confidentiality. Notwithstanding the transfer or disclosure of any Technology or grant or retention of any license to a Trade Secret or other proprietary right in confidential information to or by a Party hereunder, each Party agrees on behalf of itself and its Subsidiaries that (a) it (and each of its Subsidiaries) shall treat the Trade Secrets and confidential information of the other Party with at least the same degree of care as they treat their own similar Trade Secrets and confidential information, but in no event with less than reasonable care, and

(b) neither Party (nor any of its Subsidiaries) may use or disclose the Trade Secrets or confidential information, as applicable, licensed or disclosed to it by the other Party under this Agreement, except in accordance with its respective license granted in Article II. Nothing herein will limit either Party's ability to enforce its rights against any Third Party that misappropriates or attempts to misappropriate any Trade Secret or confidential information from it, regardless of whether it is an owner or licensee of such Trade Secret or confidential information. Notwithstanding the foregoing, each Party may disclose the Trade Secrets and confidential information of the other Party pursuant to a valid order or requirement of a court or government agency if: (i) such disclosing Party gives prompt written notice to the other Party to give such other Party the opportunity to prevent disclosure or protect its Trade Secrets and confidential information, and (ii) such disclosing Party shall reasonably cooperate with any efforts by the other Party to seek confidential treatment of the information to be disclosed, provided that such disclosure shall not affect the other Party's obligations to treat the information as a Trade Secret or confidential information.

ARTICLE VI

REPRESENTATIONS OR WARRANTIES

Section 6.1 Parent Intellectual Property. As of the date hereof, Parent does not have knowledge of any Intellectual Property Rights owned, licensed or controlled by Parent or its Subsidiaries as of immediately after the Distribution that, absent a license thereto of the scope granted under this Agreement, would be infringed by the operation of the SpinCo Business immediately following the Distribution in the same manner as such SpinCo Business was operated immediately preceding the Distribution.

Section 6.2 No Other Representations or Warranties. ALL LICENSES AND RIGHTS GRANTED HEREUNDER ARE GRANTED ON AN AS-IS BASIS WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, CUSTOM, TRADE, NON-INFRINGEMENT, NON-VIOLATION OR NON-MISAPPROPRIATION OF THIRD-PARTY INTELLECTUAL PROPERTY, ARE MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL SUCH REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED.

Section 6.3 General Disclaimer. Except as set forth in Section 6.1, nothing contained in this Agreement shall be construed as:

(a) a warranty or representation by either Party as to the validity, enforceability or scope of any Intellectual Property Rights;

(b) an agreement by either Party to maintain any Intellectual Property Rights in force;

(c) an agreement by either Party to bring or prosecute actions or suits against any Third Party for infringement of Intellectual Property Rights or any other right, or conferring upon either Party any right to bring or prosecute actions or suits against any Third Party for infringement of Intellectual Property Rights or any other right;

(d) conferring upon either Party any right to use in advertising, publicity or otherwise any trademark, trade name or names, or any contraction, abbreviation or simulations thereof, of the other Party, other than as permitted hereunder;

(e) conferring upon either Party by implication, estoppel or otherwise, any license or other right, except the licenses and rights expressly granted hereunder; or

(f) an obligation to provide any technical information, know-how, consultation, technical services or other assistance or deliverables to the other Party.

Section 6.4 Limitation of Liability. IN NO EVENT SHALL EITHER PARTY, ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING FROM THIS AGREEMENT.

ARTICLE VII

TERM

Section 7.1 Term and Termination.

(a) Except as expressly set forth herein, the term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last-to-expire of the Intellectual Property Rights licensed under this Agreement, if ever; provided that (i) the term of the Patent licenses granted pursuant to Section 2.1(a), Section 2.2(a) and Section 2.3(a), respectively, shall end upon the expiration of the last Patent licensed thereunder, and (ii) the term of the licenses granted in Exhibit A shall be subject to Section 8.5.

(b) If SpinCo Licensee is in material breach of Section 4.4 or any other provision of Article IV and such breach continues uncured for a period of sixty (60) days after SpinCo Licensees' receipt of notice from Parent Licensor of such breach (or, if such breach is not reasonably curable in such sixty (60)-day period, if SpinCo Licensee is not using commercially reasonable efforts to cure or remedy such breach thereafter), then Parent Licensor may send written notice of such uncured material breach (a "Uncured Breach Notice") to SpinCo Licensee and attempt to resolve such breach through good-faith discussion by a committee comprising an equal number of members designated by each Party for such purpose (the "Steering Committee"). The Steering Committee shall meet in person to conduct good-faith negotiations during the ten (10)-business day period following the Uncured Breach Notice (such period, as it may be extended by mutual written consent of the Parties, being the "Discussion Period"). If the breach is not resolved after the end of the Discussion Period, the Parties shall promptly escalate such breach to the chief executive officer of each Party to attempt to resolve such breach through good-faith discussions. If the chief executive officers fail to resolve such breach within ten (10) business days, then Parent Licensor may terminate, partially or in its entirety, the licenses granted to the SpinCo Licensees under Section 4.1 only with respect to the portion of the license that was the subject of such uncured material breach.

(c) Termination of the licenses granted by a Party or its Subsidiaries as a Licensor shall not in any way affect or limit the licenses granted to such Party or its Subsidiaries as a Licensee.

Section 7.2 Licensee Post-Term Matters. Upon the expiration or termination of the licenses granted in Section 4.1 (partially or in its entirety) for any reason, all rights granted to the SpinCo Licensees under such license shall revert to the Parent Licensors, and the SpinCo Licensees shall, immediately upon expiration and as soon as possible, but no later than within thirty (30) days of termination, cease all use of the Licensed Marks; provided, however, that SpinCo Licensees may continue to sell off inventory (including both finished and unfinished inventory and literature or other printed material) containing such Licensed Marks applied to such products created, and for the related regulatory registrations for such inventory, before the expiration or termination (as applicable) of the applicable license.

Section 7.3 Survival. The terms and conditions of the following provisions will survive termination of this Agreement: Article I, Section 5.2, Article VI, Section 7.2, this Section 7.3 and Article VIII. The termination of this Agreement will not relieve either Party of any Liability under this Agreement that accrued before such termination.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 No Obligation. Nothing set forth herein shall restrict either Party from transferring, assigning or licensing any Intellectual Property Rights owned by it and licensed to the other Party hereunder; provided that any transfer or assignment of any Intellectual Property Rights licensed to a Party hereunder shall be subject to the licenses granted in this Agreement.

Section 8.2 Amendment and Waivers. This Agreement may not be modified or amended, except by an instrument or instruments in writing signed by the Party against whom enforcement of any such modification or amendment is sought. Any Party may, only by an instrument in writing, waive compliance by the other Party with any term or provision of this Agreement on the part of such other Party to be performed or complied with. The waiver by any Party of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.3 Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, or three (3) days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or by electronic mail ("e-mail") transmission (so long as a receipt of such e-mail is requested and received), and shall be directed to the address set forth below (or at such other address as such Party shall designate by like notice):

(a) If to Parent (or any of its Subsidiaries in their capacity as either a Licensor or a Licensee):

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

(b) If to SpinCo (or any of its Subsidiaries in its capacity as either a Licensor or Licensee):

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel, Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

Section 8.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective permitted successors and assigns; provided that neither this Agreement nor any of the rights and benefits of a Licensee Party hereunder may be assigned to or assumed by a Third Party (whether by operation of Law or otherwise) without the express prior written consent of the other Party. Notwithstanding the foregoing, no such consent shall be required for the assignment or assumption of a Party's rights, licenses or obligations under Article II and Article IV in whole or in relevant part, in connection with, or as a result of a merger, acquisition, restructuring or reorganization of a Party (such Party, the "Acquired Party") or the sale or other disposition of a substantial business or substantial assets (such as product lines or service lines) of a Party or its Subsidiaries to which this Agreement relates (such business or assets, the "Acquired Business"); provided that the resulting, surviving or transferee Person or acquirer of the Acquired Business (the "Acquiring Party") assumes all the applicable obligations of the Acquired Party by operation of Law or by express assignment, as the case may be. Any Party that is assigning its rights, licenses or obligations pursuant to the prior sentence shall provide written notice to the other Party of any such assignment no later than promptly following such assignment

Section 8.5 MLIP Termination on Change of Control. If SpinCo consummates a Change of Control with a Third Party or a sale or other disposition to a Third Party of the Acquired Business, and such Third Party is a competitor of the Parent Licensors in the field of cannula-bearing devices, then Parent will have the right, in its sole discretion, to terminate in their entirety the licenses to Manufacturing Line IP set forth in Exhibit A (it being understood that such termination shall not include the licenses granted under Section 2.2, Section 2.3 and Article IV). SpinCo shall

provide written notice to Parent of any such Change of Control, sale or other disposition no later than promptly following consummation of such transaction. If SpinCo makes a written request to Parent seeking Parent's determination whether, at such the time of such request, a Third Party is a competitor of the Parent Licensors in the field of cannula-bearing devices, Parent will use commercially reasonable efforts to respond to such request reasonably promptly.

Section 8.6 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 8.7 Governing Law; Jurisdiction and Forum; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of Delaware, without regard to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. The Parties expressly waive any right they may have, now or in the future, to demand or seek the application of a governing Law other than the Law of the State of Delaware. In addition, each of the Parties hereto irrevocably: (i) submits to the personal jurisdiction of the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such dispute, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such dispute, any Delaware State court sitting in New Castle County (and in each case, appellate courts therefrom), in the event any dispute (whether in contract, tort or otherwise) arises out of this Agreement or the transactions contemplated hereby; (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; (iii) waives any objection to the laying of venue of any Action relating to this Agreement or the transactions contemplated hereby in such court; (iv) waives and agrees not to plead or claim in any such court that any Action relating to this Agreement or the transactions contemplated hereby brought in any such court has been brought in an inconvenient forum; and (v) agrees that it will not bring any Action relating to this Agreement or the transactions contemplated hereby in any court other than the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such Action, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such Action, any Delaware State court sitting in New Castle County (and, in each case, appellate courts therefrom). Each Party agrees that service of process upon such Party in any such Action shall be effective if notice is given in accordance with Section 8.3.

(b) EACH PARTY TO THIS AGREEMENT WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST THE OTHER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE OTHER ANCILLARY AGREEMENTS, THE SEPARATION AND DISTRIBUTION AGREEMENT, OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH OR THE ADMINISTRATION HEREOF OR THEREOF OR THE SALE OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN. NO PARTY TO THIS AGREEMENT SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS AGREEMENT, THE OTHER ANCILLARY AGREEMENTS, THE SEPARATION AND DISTRIBUTION AGREEMENT, OR RELATED INSTRUMENTS. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EACH PARTY TO THIS AGREEMENT CERTIFIES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 8.7(b). NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 8.7(b) WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

Section 8.8 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or other electronic method shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 8.9 Interpretation. For the purposes of this Agreement: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (c) the terms “hereof,” “herein,” “hereby,” “hereto” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (d) references to “$” shall mean U.S. dollars, and any amounts that are denominated in a foreign currency shall be deemed to be converted into U.S. dollars at the applicable exchange rate in effect at 9:00 a.m. New York City time (as reported by Bloomberg L.P.) on the date for which such U.S. dollar amount is to be calculated; (e) the word “including” and words of similar import when used in this Agreement and the Ancillary Agreements shall mean “including without limitation,” unless otherwise specified; (f) the word “or” need not be exclusive; (g) references to “written” or “in writing” include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) Parent and SpinCo have each participated in the negotiation and drafting of this Agreement and the Ancillary Agreements, and if an ambiguity or question of interpretation should arise, this Agreement and the Ancillary Agreements shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or burdening either party by virtue of the authorship of any of the provisions in this Agreement or the Ancillary Agreements; (j) references to any statute shall be deemed to refer to such statute as amended through the date hereof and to any rules or regulations promulgated thereunder as amended through

the date hereof (provided that, for purposes of any representations and warranties contained in this Agreement that are made as of a specific date, references to any statute shall be deemed to refer to such statute and any rules or regulations promulgated thereunder as amended through such specific date); (k) references to any Contract are to that Contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; (l) a reference to any Person includes such Person's successors and permitted assigns; (m) any reference to "days" shall mean calendar days unless Business Days are expressly specified; (n) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day; and (o) amounts used in any calculations for purposes of this Agreement may be either positive or negative, it being understood that the addition of a negative number shall mean the subtraction of the absolute value of such negative number, and the subtraction of a negative number shall mean the addition of the absolute value of such negative number. Unless otherwise specified, any reference in this Agreement to a specified date shall mean 9:00 a.m. New York City time on such date.

Section 8.10 No Third-Party Beneficiaries. This Agreement and the Schedules hereto are not intended to confer in or on behalf of any Person not a Party to this Agreement (and their successors and assigns) any rights, benefits, causes of action or remedies with respect to the subject matter or any provision hereof.

Section 8.11 Entire Agreement. This Agreement, the other Ancillary Agreements, and the Separation and Distribution Agreement constitute the entire agreement and understanding among the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings relating to such subject matter. Neither Party shall be liable or bound to the other Party in any manner by any representations, warranties or covenants relating to such subject matter, except as specifically set forth herein and therein. To the extent that any provision of this Agreement conflicts with a provision of the Separation and Distribution Agreement, the provisions of this Agreement shall be deemed to control with respect to the subject matter hereof. However, nothing contained herein shall limit either Party's obligations under the other Ancillary Agreements and the Separation and Distribution Agreement.

Section 8.12 Specific Performance. The Parties agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, may occur if the Parties hereto do not perform any provision of this Agreement in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that the Parties shall be entitled to seek an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled in Law or in equity.

Section 8.13 Relationship of the Parties. Nothing contained herein shall be deemed to create a partnership, joint venture or similar relationship between the Parties. Neither Party is the agent, employee, joint venturer, partner, franchisee or representative of the other Party. Each Party specifically acknowledges that it does not have the authority to, and shall not, incur any obligations or responsibilities on behalf of the other Party. Notwithstanding anything to the contrary in this Agreement, each Party (and its officers, directors, agents, employees and members) shall not hold themselves out as employees, agents, representatives or franchisees of the other Party or enter into any agreements on such Party's behalf.

[*Remainder of page left blank intentionally; signature page follows*]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

BECTON, DICKINSON AND COMPANY

By: _____
Name:
Title:

EMBECTA CORP.

By: _____
Name:
Title:

EXHIBIT A

MANUFACTURING LINE IP

ARTICLE I – DEFINITIONS

Section 1.1 Definitions. As used in this Exhibit A, the following terms have the meanings set forth below. Unless the context otherwise requires, capitalized terms that are not defined in this Exhibit A shall have the meanings set forth in the Agreement.

(a) "Approved Facilities" means (i) the facilities in Holdrege, Nebraska, Dun Laoghaire, Ireland, and Suzhou, China, with manufacturing lines containing Manufacturing Line IP as of the Separation, and (ii) any facility approved by Parent following the date hereof in accordance with Section 2.3.

(b) "Cannula Supply Agreement" means the Cannula Supply Agreement, entered into as of [•], by and between Parent and SpinCo.

(c) "Cartridge" has the meaning set forth in the Cannula Supply Agreement.

(d) "Major Supply Failure" has the meaning set forth in the Cannula Supply Agreement.

(e) "Major Supply Failure Termination Event" has the meaning set forth in the Cannula Supply Agreement.

(f) "Manufacturing Line IP" or "MLIP" shall mean the Technology of the cannulation systems and processes within the syringe and pen needle lines at the SpinCo facilities in Holdrege, Nebraska, Dun Laoghaire, Ireland, and Suzhou, China, as of the Separation Time. Such Technology shall include, for avoidance of doubt, [* * *]. For clarity, (i) systems or processes, as of the Distribution Date, of the manufacturing lines of the SpinCo Business that produce the Zodiac patch pump that are not part of such syringe and pen needle lines (herein "Zodiac Line IP") shall not be considered Manufacturing Line IP hereunder, and (ii) the mere identity of a vendor associated with MLIP is not itself MLIP.

(g) "MLIP Licensed Other IP" means the Intellectual Property Rights (other than (i) Patents, Marks and Internet Properties and (ii) the SpinCo Intellectual Property) that are owned by Parent or its Subsidiaries as of immediately after the Distribution and embodied in or by any of the Manufacturing Line IP.

(h) "MLIP Licensed Patents" means the Patents owned by Parent or members of its Group as of the Separation Time that, absent a license thereto of the scope granted under Section 2.1 and Section 2.2, would be infringed by the use of the Manufacturing Line IP in accordance with this Agreement or the Cannula Supply Agreement. For the purposes of the foregoing determination, a Patent issued after the Separation Time on a Patent application or invention disclosure owned by Parent or members of its Group as of the Separation Time, shall be deemed to have been issued immediately prior to the Separation Time.

[***] = [CONFIDENTIAL PORTION HAS BEEN OMITTED BECAUSE IT (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

(i) "Net Sales" shall mean the total of the gross invoice prices charged and received by SpinCo Licensees or Affiliates for the sale of a Royalty Product (whether to end-user or distributor, as the case may be), less only the sum of the following deductions, but only to the extent that they are actually applicable to the disposition of such Royalty Product and taken by SpinCo Licensee:

(i) cash or quantity discounts or rebates (including distributor chargebacks and payment term discounts) actually allowed;

(ii) sales, use, tariff, import/export duties or other excise taxes imposed on particular sales, including value added tax (excepting income taxes);

(iii) service fees;

(iv) reasonable write offs due to non-payment;

(v) transportation charges, including insurance, freight, logistics or other such charges; and

(vi) allowances or credit actually granted to customers because of rejections or returns.

The following principles shall apply to the calculation of Net Sales:

(i) Except as noted above, no deductions shall be made for commissions paid to individuals or companies, whether independent sales agents or persons or companies regularly employed by SpinCo Licensee or its Affiliates or distributors.

(ii) (If SpinCo Licensee or any Affiliate is the End-User, all Royalty Product used (except amounts used by SpinCo Licensee or its Affiliates for internal research and development or demonstration purposes, for use in clinical trials, or for bona-fide donations) shall be included in Net Sales at the price that would have been paid for transfer of such Royalty Product in an arm's-length transaction with an unaffiliated Third Party in the same situation, provided always that the transfer of Royalty Products from SpinCo Licensee to its Affiliates, or vice versa, for subsequent resale will not constitute sale to Third Parties.

(iii) If material volumes of Royalty Products are routinely transferred at no cost or at an artificial price substantially below customary discounted prices in arm's-length transactions with unaffiliated entities (as determined based on relative pricing vis a vis competitors and historical pricing of the same Royalty Products (after giving effect to any other reasonable economic conditions)), Net Sales will be imputed based on average sales prices for Royalty Products within the applicable territory or territories in which such unaffiliated entities reside, provided that there will be no imputed revenues from promotional free samples, bona-fide donations (as noted above), free goods, or other marketing programs whereby customary amounts of Royalty Products are provided free of charge to promote sales of Royalty Products.

(iv) Unless otherwise specified herein, Net Sales will be calculated in accordance with U.S. Generally Accepted Accounting Principles and consistent with SpinCo Licensee's accounting policies.

(j) "Product" has the meaning set forth in the Cannula Supply Agreement.

(k) "Royalty Products" has the meaning set forth in Section 3.3.

(l) "SpinCo Product" has the meaning set forth in the Cannula Supply Agreement.

(m) "Zodiac Line IP" has the meaning set forth in Section 1.1(f).

ARTICLE II – MANUFACTURING LINE IP LICENSES

Section 2.1 License Grant to Manufacture with Parent Cannula. Subject to the terms and conditions of this Agreement, including this Exhibit A, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, non-sublicensable, royalty-free, fully paid, nontransferable (except as set forth in Section 8.4 of the Agreement), irrevocable (except as provided in Section 7.1(a) and Section 8.5 of the Agreement) license under (a) the MLIP Licensed Patents to practice any method, process or procedure claimed in the MLIP Licensed Patents, and (b) the MLIP Licensed Other IP to internally use (subject to Section 5.2 of the Agreement and Section 4.1 of this Exhibit) the Manufacturing Line IP, in each case of clause (a) and clause (b), solely in connection with the manufacture of SpinCo Products (as defined in the Cannula Supply Agreement) by SpinCo Licensees that contain Products (as defined in the Cannula Supply Agreement) and are assembled in whole or in part on manufacturing lines containing Manufacturing Line IP in the Approved Facilities.

Section 2.2 License Grant to Manufacture with Third Party-Sourced Cannula. Subject to the terms and conditions of this Agreement, including this Exhibit A and in particular Section 3.8 hereof, the Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, non-sublicensable, royalty-bearing, nontransferable (except as set forth in Section 8.4 of the Agreement), irrevocable (except as provided in Section 7.1(a) and Section 8.5 of the Agreement) license under (a) the MLIP Licensed Patents to practice any method, process or procedure claimed in the MLIP Licensed Patents, and (b) the MLIP Licensed Other IP to internally use (subject to Section 5.2 of the Agreement and Section 4.1 of this Exhibit) the Manufacturing Line IP, in each case of clause (a) and clause (b), solely in connection with the manufacture of SpinCo Products by SpinCo Licensees that contain Third Party-sourced cannula and are assembled in whole or in part on manufacturing lines containing Manufacturing Line IP in the Approved Facilities.

Section 2.3 Approved Facilities. The SpinCo Licensees are prohibited from moving the Manufacturing Line IP and/or elements of the manufacturing lines embodying Manufacturing Line IP out of the Approved Facilities, or from duplicating the Manufacturing Line IP and/or elements of the manufacturing lines embodying Manufacturing Line IP, outside the Approved Facilities, without Parent's prior written consent, which consent will not be unreasonably withheld. If Parent approves the SpinCo Licensees' request to move the

Manufacturing Line IP and/or elements of the manufacturing lines embodying Manufacturing Line IP to a new facility, then such facility shall be deemed added to the Approved Facilities. Notwithstanding the preceding language, the manufacturing lines of the SpinCo Business that produce the Zodiac patch pump, as existing at the Distribution Date, may be transferred to a contract manufacturer without prior consent, provided SpinCo provides Parent notice of such activity and provided that the protections set forth in Article IV apply to the extent MLIP is present in such lines.

Section 2.4 Zodiac Line IP. For clarity, the licenses and rights granted to SpinCo Licensees with respect to Parent Dual-Use Patents in Section 2.3(a) of the Agreement and with respect to Parent Licensed Other IP in Section 2.3(b) of the Agreement include rights to Zodiac Line IP.

ARTICLE III – SUPPLY & PAYMENTS

Section 3.1 Notice and Selection of Third-Party Cannula Supplier. SpinCo shall promptly provide written notice to Parent at least sixty (60) days prior to the date on which any SpinCo Licensee plans to begin commercial manufacturing SpinCo Products incorporating Third Party sourced cannula assembled in whole or in party on manufacturing lines containing Manufacturing Line IP in the Approved Facilities. Parent shall have a right to consent to the supplier of such Third Party sourced cannula if such supplier is listed on Schedule 3.1.

Section 3.2 Technology Access Fee. In partial consideration for the rights granted by Parent Licensors to SpinCo Licensees hereunder, SpinCo shall pay to Parent a one-time, nonrefundable and noncreditable upfront payment in an amount equal to five million dollars ($5,000,000), by wire transfer of immediately available funds to an account specified by Parent, within thirty (30) days after the date any SpinCo Licensee begins commercial manufacturing Spinco Products using a Third Party sourced cannula and on a manufacturing line incorporating or designed or built using Manufacturing Line IP.

Section 3.3 Volume-Based Royalty (for Third-Party Sourced Cannula). SpinCo shall pay to Parent a quarterly royalty of two percent (2%) of Net Sales of each finished SpinCo Product (*e.g.*, pen needles, syringes, etc.) manufactured using a Third Party sourced cannula and on a manufacturing line incorporating or designed or built using Manufacturing Line IP (such finished products, “Royalty Products”).

Section 3.4 New Manufacturing Lines.

(a) SpinCo shall notify Parent within ninety (90) days of when it initiates a process to design and build a new pen needle or syringe manufacturing line (“New Manufacturing Line”). SpinCo, at its option, may initiate a pre-approval process with respect to such New Manufacturing Line. Such pre-approval process shall involve the following:

(i) SpinCo shall present to Parent a process describing in detail the project plan for such New Manufacturing Line, including the plans for ensuring the New Manufacturing Line is not designed or built using, and there is no unauthorized disclosure of, MLIP, e.g., project plan, clean team approach, involved associates, vendors, etc.

(ii) SpinCo and Parent shall discuss such project plan and shall work in good faith to mutually agree upon a process with sufficient protections to ensure the New Manufacturing Line is not designed or built using MLIP, including use by existing vendors of MLIP in their possession.

(iii) Upon completion of the New Manufacturing Line, Parent shall be entitled to a commercially reasonable audit to ensure compliance with the project plan (given effect to SpinCo's confidential information including use of a clean team by Parent). To the extent the New Manufacturing Line was designed and built in compliance with the plan, and assuming no unauthorized disclosure or use of MLIP outside the plan, such New Manufacturing Line shall be considered to be a manufacturing line designed or built ***without*** using Manufacturing Line IP.

(b) Notwithstanding Section 5.2 of this Agreement, (i) the restrictions on use of MLIP for designing or building a New Manufacturing Line shall not apply to, and (ii) the payments under Section 3.2 or Section 3.3 shall not be triggered when the only MLIP used to design or build a New Manufacturing Line is, MLIP that SpinCo can demonstrate is: (A) in the public domain or generally available to the public, other than as a result of a disclosure by SpinCo, its Subsidiaries or any of their Representatives in violation of this Agreement or Ancillary Agreements, (B) lawfully acquired by SpinCo (free of any confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality at the time of such acquisition) from a Third Party who has a lawful right to disclose it, or (C) independently developed or generated by SpinCo or by a Third Party by persons without use of, or other reliance upon, MLIP.

Section 3.5 Manner of Payment. All payments to be made by SpinCo hereunder shall be made in United States dollars by wire transfer of immediately available funds to such bank account as shall be designated by Parent, as applicable. Amounts on which royalties or other payments are calculated that are in currencies other than U.S. dollars shall be converted to U.S. dollars based on the average rate of exchange as quoted in the *Wall Street Journal* for each fiscal quarter for which a payment is due. If not so published, the Parties may agree on a substitute publication. If, due to restrictions or prohibitions imposed by national or international authority, payments cannot be made as provided in this Agreement, the Parties will consult with a view to finding a prompt and acceptable solution. All costs of payment, such as wire transfer, shall be borne solely by SpinCo Licensees and may not be credited or withheld.

Section 3.6 Sales Reports and Royalty Calculations. Beginning forty-five (45) days after any notice provided under Section 3.1, and thereafter within forty-five (45) days after the end of each quarter, to the extent applicable, SpinCo shall provide to Parent a written report showing the amount of royalty due for such quarter. Royalty payments for each quarter shall be due at the same time as such written report for the quarter. With each quarterly payment, SpinCo shall deliver to Parent a full and accurate accounting to include at least the following information: (i) the total gross sales for each Royalty Product and the calculation of Net Sales from such gross sales; and (ii) the calculation of royalties payable in United States dollars which shall have accrued hereunder in respect of such Net Sales; (iii) the exchange rates used if any; and (iv) any credits deducted based on overpayments of royalties in prior quarters, such as for rebates, credits or other adjustments to Net Sales. All payments not made when due hereunder shall accrue interest on an annual basis at the Prime Rate. "Prime Rate" shall mean the average prime rate published in the *Wall Street Journal* during the relevant period (calculated by dividing (a) the sum of the prime rates for each of the days during the relevant period, by (b) the number of days in the relevant period).

Section 3.7 Sales Record Audit. SpinCo shall keep, and shall ensure that each of its Affiliates keeps, complete, true and accurate books of accounts and records in accordance with GAAP sufficient to determine and establish the amounts payable incurred under this Agreement, and compliance with the other terms and conditions of this Agreement. Such books of accounting of SpinCo and its Affiliates shall be open for inspection not more than once per calendar year by an independent certified public accountant selected by Parent and as to which SpinCo has no reasonable objection, for the purpose of verifying royalty statements and payments for compliance with this Agreement for any period within the preceding three (3) calendar years. The independent certified public accountant shall disclose to Parent only the amounts that the independent auditor believes to be due and payable hereunder to Parent and details concerning any discrepancy from the amount paid (including the reasons therefor), and shall disclose no other information revealed in such audit.

Section 3.8 Cannula Cartridge. Parent and its Affiliates shall have no obligation hereunder or pursuant to the other Ancillary Agreements and the Separation and Distribution Agreement to supply a Cartridge to any Third-Party cannula supplier, nor shall SpinCo have the right to supply a Cartridge to any Third-Party cannula supplier. Notwithstanding the foregoing, Parent shall provide, upon the request and expense of SpinCo, assistance to SpinCo, as follows:

Option 1: Parent and its Affiliates shall cooperate with SpinCo to design an interface for a Third-Party cannula holder to work directly with the hopper; or

Option 2: If Option 1 is not feasible, Parent and its Affiliates shall cooperate with SpinCo to design an off-line cannula transfer to allow the Third Party-sourced cannula to be transferred from the Third-Party cannula holder to Parent's Cartridge at an Approved Facility.

Any and all Intellectual Property Rights in the design and development by Parent and its Affiliates under this Section 3.8 shall be owned solely and exclusively by Parent and its Affiliates and shall be considered MLIP. The SpinCo Licensees hereby assign and agree to assign to Parent any such Intellectual Property Rights to the extent any ownership rights in such Intellectual Property Rights vest in SpinCo Licensees.

Parent Licensors agree to grant, and hereby grant, to the SpinCo Licensees a nonexclusive, non-sublicensable, royalty-free, fully paid, nontransferable (except as set forth in Section 8.4 of the Agreement), irrevocable (except as provided in Section 7.1(a) and Section 8.5 of the Agreement) license under any such Intellectual Property Rights to use, as applicable, the interface or the off-line cannula transfer designed and developed under this Section 3.8 in connection with the manufacture of SpinCo Products by SpinCo Licensees that contain Third Party-sourced cannula and are assembled in whole or in part on manufacturing lines containing Manufacturing Line IP in the Approved Facilities controlled, operated and directed by SpinCo Licensees.

Section 3.9 Upon Major Supply Failure. In the event of a Major Supply Failure (as defined in the Cannula Supply Agreement) that is not a Major Supply Failure Termination Event (as defined in the Cannula Supply Agreement) under Section 6.4(e) of the Cannula Supply Agreement, the SpinCo Licensees' exclusive remedy under this Agreement is a waiver of the upfront and incremental royalty fees under Section 3.2 or Section 3.3, as applicable, otherwise due to Parent on cannula sourced from a Third Party during such Major Supply Failure; provided that such waiver is applicable for a maximum of two (2) years from the date of the commencement of such Major Supply Failure (it being understood that if Third Party-sourced cannula are being used with Manufacturing Line IP following such two (2) year waiver, then the upfront payment under Section 3.2 or Section 3.3 (if not already paid by SpinCo prior to the Major Supply Failure) will become due from SpinCo to Parent within thirty (30) days of the end of such waiver, and royalty fees under Section 3.3 will be due on sales of such Third Party-sourced cannula following the end of such waiver, as further described herein).

Section 3.10 Retained Cannula IP. The Parties agree that the sale of Product to SpinCo under the Cannula Supply Agreement shall constitute an exhaustion of Parent's Patent rights in Retained Cannula IP pursuant to the exhaustion or first sale doctrine under U.S. law, and any equivalent or similar doctrines under the law of any jurisdiction. Notwithstanding the foregoing, the sale of SpinCo Products with Product supplied from BD or of Royalty Products are subject to the terms and conditions of the Cannula Supply Agreement (including being sold by or on behalf of SpinCo for use for the Permitted Purposes).

ARTICLE IV – ADDITIONAL TERMS

Section 4.1 Manufacturing Line IP Security & Restrictions. Without limiting the generality of Section 5.2 of the Agreement, SpinCo Licensees shall comply with the following:

(a) *Restrictions/Obligations*:

(i) SpinCo Licensees will use best practices to protect the MLIP, to the extent consistent with Parent practices as of the Distribution Date.

(ii) Access (in-person or electronic) to MLIP will be limited to SpinCo Licensees' employees and contractors (including Third-Party maintenance contractors) with need to know/need to access.

(iii) All SpinCo Licensees' employees from other locations visiting sites containing MLIP will be required to be recorded in a logbook (to be retained for up to three (3) years for audit purposes).

(iv) All Third-Party visitors will be required to be under contractual obligations of confidentiality or to sign a confidentiality agreement before being allowed entry to any areas where MLIP may be disclosed (copy to be retained for audit purposes), with confidentiality obligations with respect to Trade Secrets continuing in perpetuity).

(v) MLIP will not be shown to or shared with Third Parties, subject to: (A) a new vendor can be hired to service aspects of MLIP subject to Section 4.1(a)(iv), (B) should SpinCo Licensees need to duplicate a cannulization line, a vendor may be shown the MLIP only after advance written notice to Parent, and (C) regulatory agencies may view, if necessary, the MLIP, provided that Parent is given (to the extent feasible) at least five (5) business days advance notice.

(vi) In no event will (A) a contract manufacturer, or (B) the companies listed in Schedule 4.1, be allowed to view, or otherwise access, information containing MLIP. SpinCo Licensees will require confidentiality agreements between a SpinCo Licensee and any potential strategic partners.

(vii) SpinCo Licensees will require agreements/undertakings between a SpinCo Licensee and its employees who have access to MLIP, either as stand-alone or as employment agreements. Such agreements will be retained in a central location or HR system.

(viii) SpinCo Licensees will have a Trade Secret policy, regular Trade Secret training, and regular Trade Secret assessment/audits of its manufacturing sites.

Section 4.2 Parent Audits of SpinCo.

(a) Prior to, or within ninety (90) days of, the Distribution Date, Parent Licensors will perform an initial virtual or in-person (at Parent Licensors' option) Trade Secret audit of SpinCo Licensees' manufacturing locations, and SpinCo Licensees will implement reasonable recommendations arising from such audits consistent with prior practices of Parent and best practices. SpinCo Licensees will also allow Parent Licensors to participate in the development of trade secret training at each location in conjunction with, or promptly after, each such audit.

(b) Parent Licensors will be entitled to annual audits of SpinCo Licensees' sites to confirm adherence to restrictions and best practices, and semiannual audits of the Suzhou, China, site under best practices for confidentiality arrangements and clean team restrictions.

(c) SpinCo Licensees will designate a single person at each site at which MLIP is used responsible for compliance with the restrictions, and a single person responsible for controlling system access to MLIP (*e.g.*, via SAP).

(d) Audit recommendations by Parent Licensors consistent with best practices will be given reasonable consideration for adoption, and Parent's prior and then-current practices will be given reasonable consideration for adoption; in the case of disputes over such adoption, executives of the parties will meet within ten (10) Business Days to try to resolve the dispute, but if not resolved after thirty (30) Business Days, either party may submit the matter to WIPO Expedited Arbitration.

Section 4.3 Notifications/Breaches. SpinCo Licensees will be required to notify Parent Licensors upon events involving potential or actual disclosure of MLIP to Third Parties, including breach of restrictions, misappropriation, compelled disclosure, or change of control. SpinCo Licensees will promptly notify Parent of all breaches, misuse, misappropriation, or other unauthorized disclosures of MLIP, whether or not considered material, along with its actions or plans to cure such breach.

Section 4.4 Consequences for Breach.

(a) SpinCo Licensees shall indemnify, defend and hold harmless Parent, its Affiliates and its and their respective Representatives from and against any and all Third-Party claims to the extent arising out of or resulting from any breach of this Exhibit A or Section 5.2 of this Agreement with respect to MLIP by SpinCo Licensees, their Affiliates or Representatives.

(b) SpinCo Licensees will reasonably and promptly enforce its Third-Party confidentiality agreements if any such breach is due to such Third-Party actions, including, if appropriate, seeking injunctive relief. SpinCo Licensees will be required to consider Parent's reasonable recommendations to address the causes of any breach, including increased audits or other monitoring.

Section 4.5 Return of MLIP to Parent.

(a) If during the course of an audit or other business review, it is identified that any aspect or element of the MLIP at a facility is no longer being used by SpinCo Licensees for a period of twelve (12) consecutive months, then the Parties shall discuss in good faith the appropriate action to take with respect to such aspect or element of the MLIP, including whether SpinCo Licensees shall return or destroy (at Parent's option) aspect or element of the MLIP.

(b) Upon the expiration or termination of the licenses granted in this Exhibit A (partially or in their entirety) for any reason, all rights granted to the SpinCo Licensees shall revert to the Parent Licensors, and the SpinCo Licensees shall (i) immediately upon expiration, and (ii) as soon as possible, but no later than within thirty (30) days of termination, use commercially reasonable efforts to return or destroy (at Parent's option) the MLIP in the SpinCo Licensees' possession and control and shall certify to Parent that it has taken such steps in writing within thirty (30) days of the obligation to take such steps.

(c) Notwithstanding any expiration or termination of the licenses granted in this Exhibit A (partially or in their entirety) for any reason, the confidentiality and non-use obligations of the SpinCo Licensees with respect to the MLIP, and the Trade Secrets and confidential information embodied therein, shall be perpetual for as long as any information derives independent economic value, actual or potential, from not being generally known to or readily ascertainable through proper means by the public and are the subject of efforts that are reasonable under the circumstances to maintain secrecy.

Exhibit A – Schedule 3.1

B Braun
Terumo
Weigau
Smiths/ICU
KDL
Nipro
Greiner
Zhejiang Gongdong Medical Technology Co., Ltd.
TAIZHOU RICH MEDICAL PRODUCTS CO., LTD.
Guangzhou Improve Medical Instruments Co., Ltd
Sarstedt
Sol Millennium

Exhibit A – Schedule 4.1

B Braun
Terumo
Weigau
Smiths/ICU
KDL
Nipro
Greiner
Zhejiang Gongdong Medical Technology Co., Ltd.
TAIZHOU RICH MEDICAL PRODUCTS CO., LTD.
Guangzhou Improve Medical Instruments Co., Ltd
Sarstedt
Sol Millennium

LOGISTICS SERVICES AGREEMENT

THIS LOGISTICS SERVICES AGREEMENT (this "Agreement") is dated as of January 1, 2022, by and between:

(A) EMBECTA CORP., a Delaware corporation ("Service Recipient"); and

(B) BECTON, DICKINSON AND COMPANY, a company incorporated in New Jersey ("Service Provider").

Service Recipient and Service Provider may each be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, in connection with the transactions contemplated by the Separation and Distribution Agreement, the Parties contemplate that during the Term (as defined herein), Service Provider will provide certain Services (as defined herein) to Service Recipient (and/or its Affiliates (as defined herein)), at Service Recipient's direction, to support certain commercial operations of the SpinCo Business as it relates to the Products (as defined herein) until order-to-cash processes and other logistics services of the SpinCo Business are migrated to an independent infrastructure of Service Recipient in accordance with the terms and conditions set forth herein (the "Purpose").

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS

For the purpose of this Agreement, the following capitalized terms shall have the following meanings. Capitalized terms which are used but not defined herein shall have the meanings ascribed to such terms in the Separation and Distribution Agreement.

"Additional Services" shall have the meaning set forth in Section 4.6.

"Administrative Fee" shall have the meaning set forth in Section 11.2.1.

"Affiliate" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, however, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" shall have the meaning set forth in the Preamble and shall include the Services Schedule included by mutual agreement of the Parties herein (whether in the initial form attached hereto as of the Commencement Date and/or Region Effective Date or subsequently amended by written agreement of the Parties pursuant to the terms of this Agreement).

"Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement (but, for the avoidance of doubt, includes the Separation and Distribution Agreement).

"Claim" shall have the meaning set forth in Section 18.4.

"Commencement Date" shall mean the date at the top of this Agreement.

"Confidential Information" shall have the meaning set forth in Section 22.1.

"Contract Manufacturing Agreements" shall have the meaning given to it in the Separation and Distribution Agreement.

"Customer Agreements" shall have the meaning set forth in Section 8.1.

"Data Protection Laws" means: (a) the Data Protection Act 2018; (b) the General Data Protection Regulation (EU) 2016/679 ("GDPR"); (c) the GDPR as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 ("UK GDPR"); (d) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426), and (e) all United Kingdom and European Union (with direct effect) laws and regulations relating to processing of personal data and privacy together with the corresponding laws of any other applicable jurisdiction in which the Services are provided or received.

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution Date" shall have the meaning given to it in the Separation and Distribution Agreement.

"Excluded Services" means those applications, services, functions and reports specifically set forth in Schedule 3, except in each case aspects of such applications, services, functions and reports, if any, to the extent specifically set forth in the Services Schedule as of the date the Separation and Distribution Agreement is first executed by the parties thereto or in any other Ancillary Agreement.

"Factoring Agreement" shall have the meaning set forth in Section 11.1.1.

"Factoring Fee" shall have the meaning set forth in the Factoring Agreement.

"Factoring Region" shall mean each Region that is not a Receivables Servicing Region.

"Field Action" shall have the meaning set forth in Section 10.1.

"Force Majeure Event" shall have the meaning set forth in Section 23.1.

"Governmental Authority" shall have the meaning set forth in the Separation and Distribution Agreement.

"Guardrail" shall have the meaning set forth in Section 12.1.

"Interest Payment" shall have the meaning set forth in Section 11.3.1

"Losses" shall have the meaning set forth in the Separation and Distribution Agreement.

"Net Revenue" shall have the meaning set forth in Section 11.2.1.

"Non-Payment Notice" shall have the meaning set forth in Section 11.3.1.

"Party" and "Parties" shall have the meaning set forth in the Preamble.

"Person" means any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust or company (including any limited liability company or joint stock company) or other similar entity or Governmental Authority.

"Pre-Effective Date Service Form" shall have the meaning set forth in Section 4.4.1.

"Product(s)" shall mean the products as described in Schedule 7.

"Purpose" shall have the meaning set forth in the Recitals.

"Receivables Servicing Agreement" shall have the meaning set forth in Section 11.1.2.

"Receivables Servicing Region" shall mean each of the "Subject Regions," as defined in each Receivables Servicing Agreement.

"Region" shall mean each country or group of countries identified in Schedule 1, and for the purpose of any early termination in accordance with Section 20 "Region" shall mean each of North America, LATAM, EMEA, and CASAJ (as applicable).

"Region Effective Date" means the date that this Agreement becomes effective for each Region, as provided in Schedule 1, or as otherwise notified by Service Provider from time to time.

"Regional Agreement" shall have the meaning set forth in Section 11.6.

"Reimbursable Costs" shall have the meaning set forth in Section 11.2.2.

"Representative(s)" shall mean (a) with respect to Service Provider, Service Provider, its Affiliates and each of their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent designated by Service Provider to provide Services under this Agreement, and (b) with respect to Service Recipient, Service Recipient, its Affiliates and each of

their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent authorized to receive Services or to perform any obligations on behalf of Service Recipient pursuant to this Agreement.

"Separate LSA Schedule" means the separate document setting out the detailed schedule of Services to be provided pursuant to this Agreement titled [•] and dated [•].

"Separation and Distribution Agreement" shall mean that certain Separation and Distribution Agreement to be entered into by and between Service Recipient and Service Provider.

"Service Provider" shall have the meaning set forth in the Preamble.

"Service Provider ERP System" means those information technology systems and platforms selected by Service Provider, in its sole discretion acting reasonably for use in connection with the performance of Services.

"Service Provider Subsidiary" shall mean each Service Provider subsidiary as set forth in Schedule 1.

"Service Recipient" shall have the meaning set forth in the Preamble.

"Service Recipient Subsidiary" shall mean each Service Recipient subsidiary as set forth in Schedule 1.

"Services" shall mean all services to be provided to Service Recipient as described in the Services Schedule and the Separate LSA Schedule or as added to the Services Schedule and Separate LSA Schedule pursuant to Section 4.6.

"Services Schedule" shall mean the schedule attached hereto as Schedule 2.

"Servicing Fee" shall have the meaning, with respect to each Receivables Servicing Region, set forth in the applicable Receivables Servicing Agreement.

"Set-Up Costs" shall have the meaning set forth in Section 4.1.

"SpinCo Business" shall have the meaning given to it in the Separation and Distribution Agreement.

"Subcontractor" shall have the meaning set forth in Section 14.1.

"Term" shall have the meaning set forth in Section 3.1.

"Third Party" means any Person other than Service Provider, Service Recipient or their respective Affiliates.

"Transition Plans" shall have the meaning set forth in Section 3.2.2.

"Withholding Agent" shall have the meaning set forth in Section 11.5.2.

2. APPOINTMENT

2.1 Subject to the terms and conditions of this Agreement, Service Recipient, and the Service Recipient Subsidiaries, hereby appoint with respect to each Service, Service Provider or the applicable Service Provider Subsidiary, in each case as their services provider with respect to such Services for the Products in the applicable Region, in each case as described in Schedule 1 and on the terms and conditions set forth in this Agreement.

3. TERM

3.1 This Agreement shall commence on the Commencement Date and terminate on the second (2nd) anniversary of the Commencement Date (the "Term") unless earlier terminated under Section 20.

3.2 Transition Plan.

3.2.1 Each Party shall use diligent, concerted and commercially reasonable efforts to cause Service Recipient to transition off of the provision of the Services in each Region as promptly as possible, but in no event later than the end of the Term. The Parties shall transition responsibility for the performance of Services to Service Recipient in a manner that minimizes, to the extent reasonably possible, disruption to the SpinCo Business and the continuing operations of Service Provider and its relevant Affiliates, including in relation to orders for Products placed by customers up to the effective date of the expiration or termination of this Agreement. For the avoidance of doubt Service Recipient shall be primarily responsible with respect to transitioning off of the provision of Services in each Region. Service Provider shall have no obligation to perform (or procure that its Affiliates perform) any Services following the Term. The Parties acknowledge and agree that time is of the essence with respect to the foregoing in this Section 3.2.1.

3.2.2 In furtherance of Section 3.2.1, Service Recipient shall use commercially reasonable efforts to set forth the steps required to transfer the Services in each Region to Service Recipient or a successor provider in a written transition plan or plans with respect to such Region (the "Transition Plans"). The Services Recipient shall use its commercially reasonable efforts to develop the Transition Plans within six (6) months after the Distribution Date and Service Provider shall reasonably consult with Service Recipient in preparation thereof. In furtherance of the foregoing, Service Provider shall provide to Service Recipient information reasonably requested by Service Recipient that is necessary for Service Recipient to develop the Transition Plans, and the Parties shall reasonably cooperate with respect to the development of the Transition Plans.

3.2.3 Without limitation to and subject to Section 3.2.2, the Parties will reasonably cooperate in an effort to agree in writing with respect to reasonable Transition Plans, and if the Parties agree in writing to such Transition Plans, then the Parties shall each use commercially reasonable efforts to undertake the activities expressly delegated to and agreed to by such Party in such Transition Plans. To the extent support is required by the Service Provider in a material respect for the purposes of implementation of the Transition Plan, Service Provider will be reimbursed for those services at an agreed upon hourly rate, unless otherwise provided for in such Transition Plan.

3.2.4 Service Provider shall reasonably cooperate with Service Recipient with respect to efforts by Service Recipient to obtain new or replacement contracts with respect to Services as it concerns Third Party vendors with which Service Provider has commercial relationships with respect to such Services; provided, that for the avoidance of doubt Service Recipient shall be primarily responsible with respect to obtaining such new or replacement contracts.

4. DESCRIPTION OF SERVICES

4.1 Subject to the terms and conditions of this Agreement, Service Provider will use commercially reasonable efforts to provide or cause its Affiliates to provide such Services to Service Recipient and its Affiliates during the Term. Each Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and in the Services Schedule. In addition, with respect to each Service, any set up charge or any other similar costs reasonably necessary for the commencement of such Service in accordance with the terms hereof ("Set-Up Costs") shall be the responsibility of the Service Recipient, except as otherwise expressly provided herein, and such charges and costs shall be deemed to be "Reimbursable Costs" hereunder and paid to Service Provider in accordance with Section 11.3.

4.2 Schedules and Precedence. This Agreement shall govern the provision of Services. Except with respect to any limitations on the Services set forth in this Agreement, if there is any inconsistency between the terms of the Services Schedule and the terms of the main body of this Agreement (i) the terms of the Services Schedule shall govern with respect to the provision of a specific Service (including pricing, term, technical or operational matters) and (ii) the main body of this Agreement shall govern for legal terms and conditions.

4.3 Information. Unless otherwise mutually agreed by the Parties, the Services Schedule and any amendments thereto shall set forth, at a minimum, the following information for each listed Service:

(a) a description of the Service to be provided; and

(b) any other terms uniquely applicable to such Service.

4.4 Nature of Services.

4.4.1 Unless otherwise expressly set forth in the Services Schedule, for each Region the Service Provider shall perform the Services in substantially the same form and at a relative level of service that such Services were performed internally by or on behalf of Service Provider (or for Services provided by a Third Party, if applicable, the form consistent with the requirements of the Third Party contract under which such Service was last provided before the Region Effective Date by a Third Party) with respect to the SpinCo Business in the twelve (12) months prior to the Region Effective Date to the extent

transacted through the Service Provider ERP System, in each case with respect to, without limitation, quality, availability and volume (as may be increased to take into account the hiring of employees to operate the SpinCo Business as of the Region Effective Date and increases in volume reasonably attributable to the organic growth of the SpinCo Business following the Region Effective Date, and subject to any increase in fees by Service Provider to account therefor); provided, however, that such performance shall at a minimum be at no lesser standard of quality generally consistent with the services or arrangements Service Provider provides to its own Affiliates (collectively, the "Pre-Effective Date Service Form"). Notwithstanding the foregoing, Service Provider may change a Pre-Effective Date Service Form solely to the extent (a) any change in nature, scope or performance levels is agreed in writing by the Parties from time-to-time during the Term of this Agreement, (b) of any restrictions imposed on Service Provider by applicable Law or regulation, in which case any such change shall be to the minimum extent necessary, as determined by Service Provider in its reasonable discretion, such that Service Provider can provide such Service in compliance with applicable Law or regulation, (c) any changes in the nature, scope and performance levels of such Service are necessitated by the Separation and Distribution (as both terms are defined in the Separation and Distribution Agreement), or the organic growth of the SpinCo Business during the Term, (d) any modification in process for providing Services are necessitated by the extraction of the SpinCo Business from Service Provider's continuing operations and (e) required by any contractual obligations owed by Service Provider to any Third Party(ies) with respect to Services provided by, from or through such Third Party(ies) hereunder. Regarding the changes described in the previous sentence, Service Provider shall implement such changes in a commercially reasonable manner that where practical is consistent with the practices performed internally by or on behalf of Service Provider with respect to the SpinCo Business in the twelve (12) months prior to the Region Effective Date. For the avoidance of doubt, in providing the Services, Service Provider may use any information systems, hardware, software, processes and procedures it deems necessary or desirable in its reasonable discretion, provided that (i) Service Provider shall provide notice to Service Recipient with respect to material changes by Service Provider to any such systems, hardware, software, processes and procedures, if any, that are made solely with respect to Service Recipient (and not similar services for itself or its Affiliates), in which case, Service Provider shall use commercially reasonable efforts to make such changes in a manner that does not cause Service Recipient to incur increased costs hereunder and shall notify Service Recipient in advance if such changes will result in a material increase in costs, and (ii) any changes by Service Provider to any such systems, hardware, software, processes and procedures, will not be made in a manner that adversely affects in any material respect the ability of Service Provider to comply with its obligations to provide the Services in the Pre-Effective Date Service Form to the extent required above in this Section 4.4.1.

4.4.2 To the extent Service Provider fails to provide Services in accordance with the terms of this Agreement, Service Provider shall as soon as practicable correct the non-conforming portion of such Services such that it can provide such Service in the Pre-Effective Date Service Form to the extent required by Section 4.4.1, in each case at no extra charge or cost to Service Recipient.

4.4.3 Service Provider will use commercially reasonable efforts in the performance of the Services and its duties and obligations hereunder with the same degree of care, skill and prudence customarily exercised when engaging in similar activities for itself and, without limitation, Service Provider will use commercially reasonable efforts to provide the Services in accordance with the service standards set forth in this Section 4.4.

4.4.4 WITHOUT LIMITING THE OBLIGATIONS SET OUT IN SECTION 4.4.1, AND WITHOUT LIMITING ANY REPRESENTATION OR WARRANTY IN THE SEPARATION AND DISTRIBUTION AGREEMENT, (i) ALL SERVICES PERFORMED AND THE SERVICE PROVIDER ERP SYSTEM PROVIDED BY SERVICE PROVIDER HEREUNDER ARE PERFORMED, PROVIDED, AND MADE AVAILABLE ON AN "AS IS" AND "WITH ALL FAULTS" BASIS, AND (ii) SERVICE PROVIDER DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, NONINFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE.

4.5 Service Limitations.

4.5.1 Notwithstanding any provision of this Agreement to the contrary:

(a) except as and to the extent necessary for the receipt of any Services by Service Recipient and any arrangements provided under and subject to the other Ancillary Agreements, Service Provider shall have no obligation to provide Service Recipient with access to or use of any Service Provider information technology systems, information technology, platforms, networks, applications, software databases or computer hardware;

(b) Service Provider shall have no obligation to provide Service Recipient with any Excluded Services and Service Provider shall not be obligated to provide and shall not be deemed to be providing any advisory services (including advice with respect to legal, financial, accounting, insurance, regulatory or tax matters) to Service Recipient or any of its Representatives as part of or in connection with the Services or otherwise;

(c) Service Provider shall have no obligation, unless to the extent necessary to provide the Services, and without limiting, for clarity, Section 10.1, to prepare or deliver any notification or report to any Governmental Authority or other Person on behalf of Service Recipient or any of its Representatives; and

(d) in no event shall Service Provider or its Affiliates have any obligation to favor Service Recipient or any of its Affiliates' operation of the SpinCo Business over its own business operations or those of its Affiliates.

4.5.2 Notwithstanding any provision of this Agreement to the contrary, Service Provider shall not be required to:

(a) perform any Service or provide access to or use of any part of the Service Provider ERP System in any manner that violates or contravenes any restrictions imposed on Service Provider by applicable Law or regulation;

(b) perform any Service or provide access to or use of any part of the Service Provider ERP System in any manner that breaches or contravenes any contractual obligations owed by Service Provider to any Third Party(ies). Service Provider will provide written notice to Service Recipient to the extent any such Third Party contractual obligation will materially impact the provision of applicable Services hereunder (or change the cost thereof);

(c) hire any additional employees, maintain the employment of any one or more specific employees, or purchase, lease or license any additional equipment, software (including additional seats or instances under existing software license agreements) or other resources (in each case in this Section 4.5.2(c) subject to Service Provider's compliance with its obligations to provide the applicable Services in the Pre-Effective Date Service Form to the extent required by Section 4.4.1); or

(d) bear or pay any costs related to the conversion of the Service Recipient's data at the Service Recipient's request without limiting, for clarity, Sections 4.4.1 and 4.7.

4.5.3 Service Provider shall have no obligation to provide data migration support including any data extraction, data cleansing or data insertion, with respect to historical or transactional data except as and to the extent set forth in this Section 4.5.3 or as and to the extent otherwise expressly set forth herein or in another Ancillary Agreement. Notwithstanding the foregoing, Service Provider shall (i) provide master data (including product master data, vendor master data, customer master data, materials master data, and employee master data) in the form and format that it exists on the Service Provider ERP System (or in another format readily convertible by Service Provider if reasonably requested by Service Recipient and agreed with Service Provider) related to the SpinCo Business and reasonably necessary for Service Recipient to set up its own systems with such data for purposes of operating the SpinCo Business, (ii) provide reasonable access to Service Recipient with respect to reasonable and specific requests for historical data and reports (including historical and legacy contracts and legal claims matters) to the extent related to the SpinCo Business, if such data and reports are maintained in a form and manner that access can be readily provided by Service Provider, and (iii) consider in good faith reasonable and specific requests by Service Recipient with respect to other data, if any, reasonably necessary for use by Service Recipient in the SpinCo Business at Service Recipient's cost.

4.5.4 Service Provider shall have the right to shut down temporarily for maintenance or similar purposes the operation of the Service Provider ERP System or any other facilities or systems of Service Provider or its Affiliates providing any Service whenever in Service Provider's reasonable judgment such action is necessary or advisable for general maintenance or emergency purposes; provided that without limiting the immediately following sentence, Service Provider will schedule non-emergency general maintenance impacting the Services so as not to materially disrupt the operation of the SpinCo Business by Service Recipient. Service Provider will give Service Recipient reasonable advance notice of any such shut down for general maintenance purposes or other planned shut down.

4.5.5 Service Provider will be excused from performing any portion of a Service under this Agreement to the extent that, and solely for so long as, it is actually prevented from performing such portion of such Service as a result of Service Recipient's or any of its Representatives' failure to comply with Service Recipient's obligations set forth in Section 5. The Parties will use commercially reasonable efforts to cooperate to agree upon steps to be taken by Service Recipient to address and mitigate such adverse effect, and to the extent reasonably practicable the Services will resume in accordance with the terms hereof upon such mitigation.

4.6 Additional Services. Service Recipient may, within ninety (90) days following the Distribution Date, identify in writing to Service Provider additional third party logistics services related to the Purpose that (i) Service Provider and its Affiliates (other than Service Recipient and its Affiliates) have been providing or have provided in such Region in connection with the ordinary course of operation of the SpinCo Business in the twelve (12) months prior to the Region Effective Date or otherwise are necessary to physically and logically separate the operations and the systems of the SpinCo Business from Service Provider, (ii) are not described in the Services Schedule and are not, for clarity, Excluded Services hereunder or described in the Transition Services Agreement, and are not otherwise capable of constituting Services, Additional Services or Excluded Services, under the Transition Services Agreement and (iii) are necessary for the Service Recipient and its Affiliates to continue to conduct the SpinCo Business from and after the Region Effective Date (collectively, except for the Excluded Services, the "Additional Services"). If Service Provider has the necessary assets, rights and resources to reasonably provide such Additional Services, and Service Recipient is not reasonably in a position to provide such Additional Services or obtain such Additional Services from a Third Party on the same time frame as such services would be available from Service Provider, then with the written approval of Service Provider, not to be unreasonably withheld, conditioned or delayed, the Parties shall execute a written amendment to the then-current Services Schedule to reflect such Additional Service with respect to the applicable Region(s) and, without limiting Section 11.2.2, associated increase in the Administrative Fee, as applicable, terms and conditions (which shall be reasonably agreed to by the Parties and otherwise shall be consistent with all terms, conditions and pricing applicable to the other Services hereunder, as applicable), and such Additional Service shall then be deemed a "Service" hereunder for the relevant Region(s).

4.7 Modifications. Subject in all cases to the provision of the Services in accordance with the service standards set forth in Section 4.4, the Service Provider ERP System or other resources used by Service Provider to provide the Services may be changed, altered or modified from time to time at Service Provider's reasonable discretion. Without limiting the foregoing, Service Provider may modify a Service to the extent the same modification (including with respect to the cost, scope, nature, performance levels, timing and quality of such Service) is made with respect to Service Provider's provision of such Service to itself and its Affiliates, as applicable. Service

Provider shall inform Service Recipient reasonably in advance in writing of (a) any changes to the Services pursuant to this Section 4.7 and (b) any material changes to the Service Provider ERP System or other resources used to provide the Services that may affect Service Recipient's operation of the SpinCo Business with respect to the Purpose. Subject to the preceding provisions of this Section 4.7, any change in the scope, nature, performance levels or duration of any Service described in or other amendment to the Services Schedule must be agreed by the Parties in writing and signed by the Parties.

4.8 Use of Services. For each Region, Service Provider shall not be required to provide the Services to any Person other than Service Recipient and its Affiliates, and shall not be required to provide Services in connection with anything other than the Service Recipient's or its Affiliates' use or operation of the SpinCo Business with respect to the Purpose after the Region Effective Date. Service Recipient shall not, and shall not permit any of its Representatives to, resell any Services to any Third Party or permit the use of any Services by any Third Party.

5. OBLIGATIONS OF SERVICE PROVIDER

5.1 Responsibilities of Service Provider.

5.1.1 Service Provider shall maintain sufficient resources to perform its obligations hereunder in accordance with the terms hereof.

5.1.2 Without limiting any of its rights or obligations set forth in this Agreement Service Provider shall:

(a) provide technical assistance and training to Service Recipient personnel to the extent specified in the Services Schedule.

(b) notify Service Recipient of problems with the Service Recipient's work environment that might interfere with the provision of Services hereunder.

(c) perform its obligations under this Agreement in a manner consistent with all legal requirements applicable to Service Provider in its capacity as a provider of Services to the Service Recipient.

5.1.3 Service Provider shall provide Service Recipient and its Representatives with information and documentation reasonably requested by Service Recipient that is reasonably necessary for Service Recipient to receive Services hereunder, to perform its obligations hereunder and to transition off the Services in accordance with Section 3.2, subject in each case to reasonable confidentiality, security and privacy controls, policies and procedures imposed by Service Provider.

5.1.4 Service Provider shall, during normal business hours and with reasonable prior notice, make available, as reasonably requested by Service Recipient, reasonable access to personnel and provide timely decisions reasonably requested by Service Recipient in order that Service Recipient may timely transition off the Services in accordance with Section 3.2.

5.1.5 In performing its obligations under this Agreement, Service Provider shall comply with its obligations under the Data Protection Laws and shall not do or permit anything to be done which might cause or result in a breach by Service Recipient of the Data Protection Laws. If either Party concludes, at any time, that a data processing agreement is required in connection with the performance of any activities under this Agreement, it shall notify the other Party and the Parties shall agree and enter into reasonable terms in this respect.

6. OBLIGATIONS OF SERVICE RECIPIENT

6.1 Certain Service Recipient Responsibilities. Without limiting Section 6.2, the Service Recipient shall be responsible for and shall perform or cause its Affiliates to perform the activities set forth on Schedule 6. The Parties understand and agree that, notwithstanding anything to the contrary herein and without limiting Section 2, Service Provider's sole responsibility hereunder is to provide the Services hereunder on behalf of and for the benefit of Service Recipient, as set forth herein, in each case without limiting either Party's rights or obligations under the Separation and Distribution Agreement or any other Ancillary Agreement.

6.2 Other Responsibilities of Service Recipient.

6.2.1 With respect to the Purpose, following the relevant Region Effective Date, Service Recipient shall, for each Region, (i) exercise ultimate control over the operation of the SpinCo Business, except to the extent of the Services, and (ii) be solely responsible for the operation of the SpinCo Business in accordance with all applicable Laws and regulations, except to the extent of the Services (and without limiting the services provided under the Transition Services Agreement).

6.2.2 Service Recipient shall, during normal business hours (or as may otherwise be expressly required to deliver a Service) and with reasonable prior notice, provide Service Provider and its Representatives with access to its facilities as is reasonably necessary for Service Provider and its Representatives to perform the Services and provide Service Provider and its Representatives access to any systems or software applications that Service Provider and its Representatives are obligated to provide hereunder.

6.2.3 Service Recipient shall provide Service Provider and its Representatives with information and documentation reasonably requested by Service Provider that is reasonably necessary for Service Provider to perform the Services and provide access to the Service Provider ERP System it is obligated to provide hereunder, subject in each case to reasonable confidentiality, security and privacy controls, policies and procedures imposed by Service Recipient.

6.2.4 Service Recipient shall, during normal business hours and with reasonable prior notice, make available, as reasonably requested by Service Provider, reasonable access to personnel and provide timely decisions reasonably requested by Service Provider in order that Service Provider may perform its obligations hereunder.

6.2.5 Service Recipient acknowledges and agrees that certain of the Services to be provided hereunder were previously performed for Service Provider or its Affiliates by individuals who may no longer be employed by Service Provider or its Affiliates as a result of the Separation and Distribution and that the provision of the Services to Service Recipient may require Service Provider's reasonable access to, or support from, Service Recipient's relevant employees.

6.2.6 Except for Services and Service Provider ERP System expressly required to be provided by Service Provider under this Agreement, Service Recipient shall be solely responsible for: (a) the selection, acquisition and maintenance of any and all Third Party products or services used by Service Recipients; (b) all implementation, maintenance and support concerning such Third Party products and services; and (c) all costs associated with the activities described in clauses (a) and (b), above. Except as expressly set forth in this Agreement, Service Provider shall have no obligation to acquire, host, maintain or otherwise support any such Third Party products or services.

6.2.7 Service Recipient is and shall remain solely responsible for the content, accuracy and adequacy of all data that Service Recipient or its Representatives transmit or have transmitted to Service Provider for processing or use in connection with the performance of Services.

6.2.8 Service Recipient shall comply, and shall cause its Representatives to comply, with all applicable legal requirements in connection with their respective operations and obligations under this Agreement, including the receipt and use of the Services.

6.2.9 Without limiting the foregoing, with respect to the customer service and order management Services described in category (i) of Schedule 6, Service Recipient acknowledges and agrees that, at all times during the Term, (i) such activities shall be performed with respect to both the Products and products of Service Provider and its Affiliates; and (ii) in dealing with Service Recipient's customers, Service Recipient will not make any communication regarding customer service and order management for Service Provider products without Service Provider's approval.

6.2.10 Service Recipient shall maintain sufficient resources to perform its obligations hereunder in accordance with the terms hereof, including, for clarity, maintaining adequate staffing levels to perform the activities described in Section 6.2.9, including in accordance with the Pre-Effective Date Service Form applicable thereto.

6.2.11 Mutual Responsibilities. The Parties will reasonably cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include:

(a) exchanging information relevant to the provision of Services hereunder;

(b) reasonable efforts to mitigate problems with the work environment interfering with the Services; and

(c) each Party requiring its personnel to obey any security regulations and other published policies of the other Party while on the other Party's premises which have been made available to the Party.

6.2.12 In performing its obligations under this Agreement, Service Recipient shall comply with its obligations under the Data Protection Laws and shall not do or permit anything to be done which might cause or result in a breach by Service Provider or its Affiliates of the Data Protection Laws.

7. DISPUTES

7.1 In the event of any controversy, dispute or claim (a "Dispute") arising out of or relating to any Party's rights or obligations under this Agreement (whether arising in contract, tort or otherwise), calculation or allocation of the costs of any Service or otherwise arising out of or relating in any way to this Agreement (including the interpretation or validity of this Agreement), such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

7.2 In any Dispute regarding the amount of a fee, if such Dispute is finally resolved pursuant to the dispute resolution process set forth or referred to in Section 7.1 and it is determined that the fee that Service Provider has invoiced Service Recipient, and that Service Recipient has paid to Service Provider, is greater or less than the amount that the fee should have been, then (i) if it is determined that Service Recipient has overpaid the fee Service Provider shall within ten (10) calendar days after such determination reimburse Service Recipient an amount of cash equal to such overpayment, plus the Interest Payment, accruing from the date of payment by Service Recipient to the time of reimbursement by Service Provider; and (ii) if it is determined that Service Recipient has underpaid the fee Service Recipient shall within ten (10) calendar days after such determination reimburse Service Provider an amount of cash equal to such underpayment, plus the Interest Payment, accruing from the date such payment originally should have been made by Service Recipient to the time of payment by Service Recipient.

8. CUSTOMER AGREEMENTS

8.1 The Parties acknowledge and agree that there are and will continue during the Term to be, distribution and other contracts in place between Service Provider and certain Service Recipient customers that pre-date the Region Effective Date ("Customer Agreements") and that, for expediency and administrative convenience, the Parties have agreed not to amend those contracts to reflect the terms of this Agreement, but rather to address such issues as between themselves in this Agreement. Accordingly, Service Recipient hereby agrees that the terms set forth in each Customer Agreement shall be the terms under which Service Recipient provides the applicable Products and services related thereto to each such customer during the Term.

8.2 Following the Region Effective Date, for new and amended contracts with Service Recipient's customers with respect to any Products or under which any Services will be provided, Service Recipient will consult with Service Provider and the Parties will work together in good faith to determine what level of service can be provided by Service Provider and whether such service will have an effect on the fees under this Agreement, and Service Recipient shall ensure that any such contracts are consistent with the terms and conditions of this Agreement during the Term.

9. ACCESS TO FACILITIES

9.1 Access to Facilities. Prior to one Party allowing any of the other Party's Representatives ("Personnel") to enter onto any premises owned, controlled or operated by such Party, that Party may require such Personnel to enter into confidentiality agreements to protect its Confidential Information and contain provisions that are consistent with the provisions of Section 22 of this Agreement. Each Party shall cause all Personnel to comply with all reasonable instructions and policies of the other Party made available while at any premises owned, controlled or operated by such Party, and each Party shall have the right to remove any Personnel of the other Party from any such premises for failure to comply with this Agreement or any such instructions or policies. Notwithstanding the foregoing, this Section 9.1 shall not limit any access to premises provided under the Transition Services Agreement or any lease between Service Provider (or its Affiliates) and Service Recipient (or its Affiliates), in each case subject to the terms and conditions thereof.

10. FIELD ACTIONS; PRODUCT REGISTRATIONS

10.1 Field Actions. For each Region Service Recipient shall have the sole discretion and responsibility to effect and control any recall, withdrawal, or field correction (a "Field Action") with respect to any Product sold on or after the Region Effective Date. In connection with a Field Action, Service Provider (or such of its Affiliates that holds the product registration with respect to such Product at the time of such Field Action, as applicable) shall reasonably cooperate with responding to Service Recipient's requests for information or other assistance, and in otherwise effecting such Field Action, in each case at the Service Recipient's cost. Service Recipient shall consult with Service Provider before issuing any press release or otherwise making any public statement regarding any Field Action that references or implicates Service Provider or any of its Affiliates. Service Recipient shall be responsible for communicating with any Governmental Authorities in connection with a Field Action, and Service Provider (or such of its Affiliates that holds the product registration with respect to such Product at the time of such Field Action, as applicable) shall reasonably cooperate with Service Recipient to facilitate such communications (including by communicating directly with the applicable Governmental Authority to the extent so required). Service Recipient shall bear the costs and expenses to the extent incurred by it and by Service Provider or any of its Affiliates in connection with any such Field Action.

10.2 Product Registrations. Notwithstanding anything to the contrary herein, and, for clarity, without limiting the Transition Services Agreement, any obligations of Service Provider with respect to obtaining, maintaining, renewing or modifying product registrations shall be set out in the Transition Services Agreement.

10.3 New Branding. Any support for the set up of master data for new branding of Service Recipient or its Affiliates in the Service Provider ERP System with respect to any Products shall be agreed between the Parties in writing, and any such newly branded Products shall not constitute or be deemed to be "Products" hereunder unless and until Service Provider has approved the same in writing. For the avoidance of doubt, any new branding shall not apply to invoice forms and business stationery of Service Provider.

10.4 Service Provider shall continue to maintain a recovery plan to ensure the continuity of Services in case of natural disasters, serious weather conditions, power failures, fires, national emergencies, or any other catastrophic event that is consistent with the recovery plan that the Service Provider has in place with respect to the SpinCo Business in the twelve (12) months prior to the Region Effective Date.

11. FACTORING, FEES, REIMBURSABLE COSTS AND PAYMENT TERMS

11.1 Factoring and Receivables Servicing.

11.1.1 With respect to the Factoring Regions, the Parties agree to a factoring arrangement on the terms and conditions provided in the Factoring Agreement attached as Part I of Schedule 4 hereto (the "Factoring Agreement"). For clarity, invoicing and payment of the Factoring Fee are made under the Factoring Agreement.

11.1.2 With respect to the Receivables Servicing Regions, the Parties agree to a receivables servicing arrangement on the terms and conditions provided in the applicable Receivables Servicing Agreement attached as Part II of Schedule 4 hereto (the "Receivables Servicing Agreement"). For clarity, invoicing and payment of the applicable Servicing Fee are made under the applicable Receivables Servicing Agreement.

11.2 Administrative Fee and Reimbursable Costs.

11.2.1 Administrative Fee. Without limiting Section 11.1 or Service Recipient's payment obligations with respect to Reimbursable Costs under Section 11.2.2, Service Recipient shall pay Service Provider a monthly fee in an amount equal to one percent (1%) of Net Revenue (the "Administrative Fee"). As used herein, "Net Revenue" has the meaning set forth in Part I of Schedule 5. For clarity, Service Recipient, and only Service Recipient, has the right to set the price for the Products. For the avoidance of doubt, the Service Recipient shall not be charged by the Service Provider under this Agreement for any services or products that are charged to the Service Recipient under the Contract Manufacturing Agreements.

11.2.2 Reimbursable Costs. Without limiting Section 11.1 or Service Recipient's payment obligations with respect to the Administrative Fee under Section 11.2.1, Service Recipient shall, for each Service performed, reimburse Service Provider for all shipping costs, selling costs, general administration costs, costs of goods, R&D services costs, and

other income and expenses related solely to the SpinCo Business direct P&L, that are incurred by the Service Provider directly, as allocated costs or as costs payable to a Third Party (collectively, "Reimbursable Costs"), in each case without any mark-up. Without limiting the foregoing, Reimbursable Costs shall include, subject to the other applicable terms of this Agreement (including Section 17.1 with respect to Third Party consents), (a) expenses payable to Third Parties in providing the Services, (b) expenses payable to Third Parties, following the Region Effective Date, for tailoring, expanding or otherwise modifying any Service or any part of the Service Provider ERP System provided to the SpinCo Business prior to the Region Effective Date in any manner required to provide such Service to Service Recipient in accordance with the terms and conditions of this Agreement, (c) Third Party fees, costs or expenses payable by Service Provider or any of its Representatives to any Third Party(ies) for the licensing, provisioning, implementation, maintenance or operation of separate environments, separate instances of existing environments or "clean" environments necessary to provide the Services or Service Provider ERP System to Service Recipient, (d) any fees payable to any Third Party(ies) that are associated with extending, expanding or maintaining Third Party licenses or other contracts necessary to provide the Services or Service Provider ERP System to Service Recipient, and (e) any additional shared fees or costs payable by the Service Provider that are set out in the Separate LSA Schedule.

11.2.3 Once monthly, the Service Provider shall issue an invoice to the Service Recipient for all Products which the Service Provider has sold to customers during that month.

11.3 Invoicing and Payment Terms.

11.3.1 Service Provider, directly and/or through one or more Service Provider Subsidiaries, shall invoice Service Recipient, directly and/or through one or more of Service Recipient Subsidiaries pursuant to Section 11.3.2, once monthly in arrears for the Administrative Fee and all Reimbursable Costs pursuant to this Agreement. Such invoices shall contain reasonable detail of the Service provided and the charge therefor based on information from the Service Provider ERP System. Service Recipient, including all applicable Service Recipient Subsidiaries, shall pay Service Provider, or each relevant Service Provider Subsidiary (where applicable), for all undisputed amounts due for Services provided hereunder by the twenty-fifth (25th) day of each month for any invoice received prior to that day in the same month. If payment is not made by the twenty-fifth (25th) day of the month, Service Provider may send notice of non-payment to the Treasurer of Service Recipient in accordance with Section 25.8 (a "Non-Payment Notice"). Late payments shall bear interest at eight percent (8%) per annum for all undisputed amounts not paid within ten (10) days from receipt of a Non-Payment Notice therefor (or such lesser rate which is the maximum rate allowed by law) (the "Interest Payment"). Failure to pay undisputed amounts due hereunder within sixty (60) days from receipt of a Non-Payment Notice therefor pursuant to the terms of this Agreement shall be a material breach and Service Provider may terminate this Agreement with respect to the applicable Service for which such payment failure applies under Section 20.2 hereof (after the applicable cure period set forth therein).

11.3.2 Notwithstanding any provision of this Agreement or the Separation and Distribution Agreement to the contrary, with respect to each Region, invoices for such Services may be delivered directly by the applicable Service Provider Subsidiary or other local Service Provider Affiliate to the applicable Service Recipient Subsidiary or other Service Recipient Affiliate for such Region, including that Reimbursable Costs may be invoiced with respect to the applicable Region in which they were incurred and applicable portions of the Administrative Fee may be invoiced with respect to the applicable Region in which the Net Revenue applicable to such portion was earned, and payment thereof shall be made directly by such Service Recipient Subsidiary or other local Affiliate to such Service Provider Subsidiary or other local Affiliate, provided that Service Recipient shall remain responsible for all amounts invoiced to and payments made by Service Recipient Subsidiaries; provided, further, that Service Provider shall send copies of such invoices to Service Recipient and; provided, further, that, for clarity and without limiting or expanding Section 11.3.1, the obligation of Service Recipient and/or the applicable Service Recipient Subsidiary to pay all undisputed amounts due under any invoice pursuant to Section 11.3.1 shall commence only upon receipt of such invoice by Service Recipient.

11.3.3 To the extent that Section 11.3.2 applies, Service Provider shall have the right to submit an aggregate invoice, itemized by country, or an aggregate reconciliation statement, itemized by country, to Service Recipient on a monthly basis for all amounts payable by Service Recipient to Service Provider pursuant to this Agreement. If necessary, local country or Region invoices will also be issued in the currency of the country in which they originate. Such invoices and reconciliation statements shall contain reasonable detail of the Services provided, the charges therefor, and Reimbursable Costs incurred, and to the extent, permitted by this Agreement. For any amounts payable under this Agreement that are not collected by Service Provider as described immediately above in Section 11.3.2, Service Recipient shall pay Service Provider for all amounts due for Services provided hereunder within thirty (30) calendar days from receipt of an invoice therefor in the currency of the country in which they originate in accordance with the payment terms of Section 11.3.1.

11.3.4 Except as the Parties may expressly agree in writing, amounts due hereunder shall not be offset by amounts due or claims under any other agreement.

11.4 Supporting Documentation of Reimbursable Costs

11.4.1 Upon Service Recipient's reasonable request, Service Provider shall provide reasonable documentation in its possession to support the amount of Reimbursable Costs reimbursed by Service Recipient hereunder.

11.5 Taxes.

11.5.1 All charges under this Agreement are exclusive of any Taxes, including sales, use, VAT, consumption, excise, withholding or similar taxes (other than Taxes based on Service Provider's net income) that may apply to the transactions contemplated by this Agreement. Service Recipient shall be responsible for paying all such Taxes. Service Provider may collect such Taxes from Service Recipient as required by law.

11.5.2 Deductions or Withholding.

11.5.2.1 If any amount of any payment under this Agreement is required to be deducted and withheld with respect to the making of such payment under any provision of applicable Law, the applicable Party (the "Withholding Agent") shall be entitled to deduct and withhold such amount as required by applicable Law, provided that prior to such withholding, the Withholding Agent shall give written notice of its intention to deduct and withhold and allow the other Party sufficient time to furnish any required documentation and forms to minimize or eliminate such withholding. The Withholding Agent shall pay all such withheld amounts to the applicable Governmental Authority. For the avoidance of doubt, the provisions of this Section 11.5 shall apply to Affiliates of Service Provider and Service Recipient as if such Affiliate were Service Provider or Service Recipient, as applicable.

11.5.2.2 Notwithstanding anything in this Agreement to the contrary, if any deductions or withholdings are required to be made by Service Recipient as aforesaid as a result of Service Recipient being organized in a jurisdiction that is different from Service Provider, Service Recipient shall be obliged to pay to Service Provider such amount as will, after the deduction or withholding has been made, leave Service Provider with the same amount as it would have been entitled to receive in the absence of such requirement to make a deduction or withholding, provided that if Service Provider subsequently receives a credit for such deduction or withholding for the taxable year in which the deduction or withholding was made, then Service Provider shall promptly repay an amount equal to such credit up to the lower of:

(a) the amount previously paid by Service Recipient; or

(b) the amount which would put Service Provider in the same position as if no deductions or withholdings had been required to be made in respect of the relevant payment to Service Provider.

11.5.3 Notwithstanding any provision of this Agreement or the Separation and Distribution Agreement to the contrary, Service Recipient shall indemnify (in applicable local currency) Service Provider and its Affiliates against all income Taxes required to be paid by Service Provider, its Affiliates or its Representatives arising or resulting from a requirement under applicable local Law that Service Provider, its Affiliates or its Representatives take into account as its own income (to the extent not fully offset by corresponding deductions) amounts collected on behalf of Service Recipient or its Affiliates in any jurisdiction.

11.6 Regional Agreements. Where the Parties agree from time to time that, for legal, regulatory or tax reasons associated with this Agreement or the provision of Services hereunder, a further local agreement should be put in place in respect of a particular Region, the Parties or their respective local Affiliates in such Region will, if and upon agreement thereto, enter into an additional, written ancillary agreement setting forth such additional terms and conditions applicable to such Region (each, a "Regional Agreement"). The applicable local Service Provider Subsidiary will be the Service Provider party to a Regional Agreement. If there is any inconsistency between the terms of this Agreement and the terms of the applicable Regional Agreement, the terms of

such Regional Agreement shall govern. The Regional Agreements are intended to implement the provision of Services in the applicable Region in compliance with the applicable Laws of such Region.

12. GUARDRAILS

12.1 In order to avoid significant cost incurrence or loss by the Service Provider or its Affiliates, and for purposes of maintaining adequate service levels and the Pre-Effective Date Service Form hereunder, and to retain the pricing terms set forth in Section 11 (which are in part based on space and resource requirements at current volumes), Service Recipient shall, and shall cause its Affiliates to, at all times during the term, ensure the volumes of all Products maintained in each Facility during each month of the Term, on a Facility-by-Facility basis, are within plus-or-minus twenty percent (+/- 20%) of the average inventory stock of the Products in such Facility over the twelve (12) month period immediately preceding the Region Effective Date (with respect to each such Facility, the "Guardrail"). For the avoidance of doubt, the "Suzhou 3" manufacturing plant will be the sole exception, with no guardrails in place with regards to minimum or maximum volume, in accordance with the agreement in place with respect to the "Suzhou 3" manufacturing plant. Without limiting the foregoing, if the Service Recipient becomes aware of circumstances (including, for clarity, inventory-level management) that could result in such volumes of Products at any Facility exceeding the applicable Guardrail therefor, Service Recipient will promptly notify Service Provider thereof and the Parties will discuss in good faith potential operational adjustments to be mutually agreed in an effort to accommodate such volumes; provided that (i) the Service Recipient will bear all fees and costs associated therewith, which shall be deemed to be "Reimbursable Costs" hereunder and paid to Service Provider in accordance with Section 11.2.2, (ii) such adjustments shall not create volume or space limitations on or otherwise adversely affect Service Provider's or its Affiliates' businesses, and (iii) the Guardrail shall continue to apply except as and to the extent specifically agreed otherwise by the Parties in writing; provided further that, without limiting the foregoing clause (i), both Parties will use commercially reasonable efforts to mitigate any cost or loss that they may suffer or incur. Any adjustment to the Guardrail for any portions of the Term will be subject to the mutual written agreement of the Parties; provided that, for clarity, the Guardrail shall continue to apply without any adjustment unless and until such adjustment is so agreed.

12.2 For each Region, Service Recipient shall provide to Service Provider, on the Region Effective Date, a detailed written assessment of volumes of Products and all storage requirements therefor with respect to each Facility, together with a written forecast of such volumes, reflecting Service Recipient's reasonable and good faith projections, with respect to each month during the initial twelve (12) months following the Region Effective Date. Service Recipient shall update such forecast in writing to Service Provider on a quarterly basis, reflecting Service Recipient's reasonable and good faith projections, with respect to each month during the twelve (12) months following the date of such update. Without limiting the foregoing, Service Recipient shall reasonably promptly notify Service Provider in writing if Service Recipient plans to shift any material portion of volumes (*i.e.*, twenty percent (20%) or greater) of Product from any Region to a different Region or from any Facility to a different Facility.

12.3 For purposes of this Section 12, "Facility" shall mean each warehouse, distribution center or other facility used in connection with any Products hereunder.

12.4 Without limiting the foregoing, (i) to the extent Service Provider requires a narrower Guardrail with respect to any Facility operated by Service Provider than the plus-or-minus twenty percent (+/- 20%) threshold described above, such narrower Guardrail shall apply to such Facility, and (ii) Service Recipient shall reasonably cooperate to ensure that all volume, packaging, size and other similar requirements are adhered to and the same pricing tiers applicable immediately prior to the Region Effective Date remain applicable at all times during the Term, taking into account the combined volumes of Products and any products of Service Provider or its Affiliates that are stored at or pass through the relevant Facility.

13. RELATIONSHIP BETWEEN THE PARTIES

13.1 The Parties to this Agreement are and shall remain independent contractors and neither Party is an employee, agent, partner, franchisee or joint venturer of or with the other. Each Party will be solely responsible for all actions or omissions of its employees and for any employment-related taxes, insurance premiums or other employment benefits respecting its employees. Neither Party shall hold itself out as an agent of the other and neither Party shall have the authority to bind the other. For clarity, this Section 13.1 is subject to and shall not limit Section 13.2.

13.2 Appointment of Service Provider Agent as Service Recipient's Agent.

13.2.1 Agency Appointment. Service Recipient and each Service Recipient Subsidiary hereby confirms its appointment of each Service Provider Affiliate identified in Schedule 1 to act as Service Recipient's undisclosed agent of the Service Recipient Subsidiary identified in Schedule 1 in providing the Services in the Region designated for each such Service Recipient Subsidiary in such Schedule for the Term, and Service Provider and each Service Provider Subsidiary hereby confirms its acceptance of such appointment by such Service Recipient Subsidiary (with respect to such Regions, the "Service Provider Agent"). Unless resulting in an increase in taxes or other fees, Service Provider may change the Service Provider Agent with respect to any Region by providing written notice of such change to Service Recipient.

13.2.2 Agency Status. The Service Provider Agent shall perform the Services as agent under this Agreement in its own name but for the account of Service Recipient (and/or the relevant Service Recipient Subsidiary) and at the risk of Service Recipient (and/or the relevant Service Recipient Subsidiary) without the need to disclose its status as an agent of Service Recipient (and/or the relevant Service Recipient Subsidiary). For the avoidance of doubt, Service Recipient (and/or the relevant Service Recipient Subsidiary) shall be responsible for any actions or omissions that are performed by the Service Provider Agent on the Service Recipient's (and/or the relevant Service Recipient Subsidiary's) instructions.

13.2.3 Authority as Agent of Principal. The Service Provider Agent is authorized to perform for the account of the Service Recipient (and/or the relevant Service Recipient Subsidiary), all acts the Service Provider Agent deems necessary or appropriate to fully perform the Services in a manner consistent with its practices while the SpinCo Business was owned by Service Provider or its Affiliate, using its independent business judgment, and in accordance with the Pre-Effective Date Service Form without, except as may otherwise be required by applicable Laws, obtaining the prior approval of the Service Recipient (and/or the relevant Service Recipient Subsidiary), and subject to, in any event, the terms and conditions of this Agreement.

13.2.4 Relationship Between the Agent and the Principal. Without prejudice to Section 13.2.1, in performing the Services, the Service Provider Agent will be acting as an independent contractor engaged by Service Recipient (and/or the relevant Service Recipient Subsidiary) to perform the Services for the benefit of Service Recipient (and/or the relevant Service Recipient Subsidiary).

13.2.5 Local Agreements. Where necessary, the Parties may provide for further local agreements to formalize the legal relationship between the Parties in a specific Region.

13.2.6 No Conflict. For clarity, this Section 13.2 is subject to and shall not limit Section 2.

13.2.7 Cooperation. The Parties will reasonably cooperate with each other to evaluate and address potential VAT implications relating to the foregoing in this Section 13.2 (if any).

14. PERFORMANCE BY REPRESENTATIVES

14.1 Without limiting Section 2, Service Provider may engage one or more Affiliates, Third Parties or other Service Provider Representatives (each a "Subcontractor") to perform all or any portion of the Service Provider's duties under this Agreement, provided that (i) the Service Provider remains responsible for the performance of such Service Provider Representatives, and (ii) no such engagement, to the extent such Services are to be provided directly by Service Provider pursuant to the Services Schedule, shall increase or result in additional charges for the Services, or fees or expenses, to Service Recipient or any of its Affiliates as applicable.

15. INSURANCE

15.1 The Parties may maintain, during the Term of this Agreement, such insurance policies or self-insurance as they deem appropriate, each for their own requirements.

16. RISK OF LOSS; RISK OF NON-PAYMENT

16.1 Except as otherwise expressly provided in this Section 16, as between the Parties, Service Recipient shall bear all risk of loss with respect to the Products and all risk of non-payment by customers with respect to the Products.

16.2 If any Product is damaged, lost or stolen while in a warehouse owned or controlled by Service Provider or its Affiliates, as between the Parties, Service Provider is responsible under this Agreement for such damage, theft or loss only to the extent the damage, theft or loss results from Service Provider's or such Affiliate's gross negligence or willful misconduct. In the event Service Provider is so responsible as provided in the immediately preceding sentence, Service Provider's sole obligation and liability shall be to compensate Service Recipient at an amount equal to the replacement cost of such Product to the extent so damaged, stolen or lost.

16.3 For the avoidance of doubt and without limiting Sections 16.1 or 16.2, as between the Parties, Service Recipient's rights against Third Parties shall not be affected by the allocation of risk of loss as between the Parties set forth in the foregoing provisions of this Section 16. Service Provider shall reasonably cooperate in good faith with Service Recipient, at Service Recipient's cost, to make claims under any applicable Third Party contract with respect to (a) any damage, theft or other risk of loss with respect to the Products thereunder or (b) any non-performance, breach, default or other failure to provide services, in each case subject to the terms and conditions of such Third Party contract (including any allowances or other relevant thresholds thereunder).

17. SERVICE RECIPIENT LIABILITY TO THIRD PARTIES

17.1 Third Party Consents. With respect to any Services which require a license or service provided by a Third Party (including through the sub-contracting of any relationship with any Third Party), to the extent the consent of a Third Party is needed for Service Provider to provide any such Services to the Service Recipient and its Affiliates, then Service Provider will use its reasonable best efforts to secure the consent of such Third Party to provide Service Recipient with access to such Third Party contract, license or service, as applicable, in accordance with the terms and conditions of this Agreement. Any costs with respect to securing any such consents shall be the responsibility of the Service Recipient to the extent required by such Third Party contract, license, service. To the extent a Third Party requires or requests that Service Provider make any payment to the extent not required by the terms of the relevant contract, license, service in order to obtain a consent addressed by this Section 17.1, Service Provider and Service Recipient shall jointly determine in good faith whether or not to negotiate and/or make such payment, and to the extent agreed, such payment shall be reimbursed by Service Recipient. If Service Provider is unable to secure the consent of the applicable Third Party vendor using its reasonable best efforts, or if Service Recipient does not pay for the applicable consent, then, notwithstanding any provision of this Agreement or the Separation and Distribution Agreement to the contrary, Service Provider (and its Affiliates) shall have no obligation to provide the impacted Service, and the Parties shall reasonably cooperate in good faith to effect an alternate method of providing the Service to Service Recipient to the extent practicable.

18. INDEMNIFICATION

18.1 Service Recipient hereby agrees to indemnify, defend and hold harmless Service Provider, its Affiliates, its Representatives and its and their respective officers,

directors, agents, employees and Affiliates, from and against any and all Losses arising out of, relating to or resulting from (i) Service Recipient's or any of its Representative's gross negligence or willful misconduct relating to this Agreement, (ii) Service Recipient's or any of its Representative's breach of this Agreement, or (iii) any product liability or other claims by Third Parties with respect to any Products (other than with respect to the misuse of such Product by Service Provider or to the extent covered by an indemnification obligation of Service Provider or its Affiliates under this Agreement, any Ancillary Agreement or the Separation and Distribution Agreement).

18.2 Service Provider hereby agrees to indemnify, defend and hold harmless Service Recipient and its officers, directors, agents, employees and Affiliates from and against any and all Losses arising out of, relating to or resulting from (i) Service Provider's or any of its Representative's gross negligence or willful misconduct relating to this Agreement or (ii) Service Provider's or any of its Representative's breach of this Agreement except to the extent arising from a claim for which Service Recipient has an indemnification obligation pursuant to Section 18.1.

18.3 Notwithstanding anything provided herein, if an indemnitor and indemnitee have, through their negligent acts or willful misconduct or omissions or breaches of this Agreement, jointly contributed to any of the matters to be indemnified hereunder, the indemnitee shall be indemnified hereunder only to the extent that such indemnified matters were not caused by the negligent acts, acts of willful misconduct or omissions of, or breaches of this Agreement by, the indemnitee.

18.4 With respect to Third Party claims asserted against a Party for which the other Party has an indemnification obligation under this Section 18, (a) the indemnified Party shall provide the indemnifying Party with written notice describing such indemnification claim ("Claim") in reasonable detail in light of the circumstances then known and then providing the indemnifying Party with further notices to keep it reasonably informed with respect thereto; provided however, that failure of the indemnified Party to keep the indemnifying Party reasonably informed as provided herein shall not relieve the indemnifying Party of its obligations hereunder except to the extent that the indemnified Party is materially prejudiced thereby; (b) the indemnifying Party shall be entitled to participate in such Claim and assume the defense thereof with counsel reasonably satisfactory to the indemnified Party, at the indemnifying Party's sole expense; and (c) the indemnified Party shall reasonably cooperate with the indemnifying Party, at the indemnifying Party's sole cost and expense, in the defense of any Claim. The indemnifying Party will not accept any settlement unless the settlement includes as an unconditional term thereof the giving by the claimant or the plaintiff of a full and unconditional release of the indemnified Party, from all liability with respect to the matters that are subject to such Claim, without the indemnified Party's prior written consent, which consent shall not be unreasonably withheld or delayed. The indemnified Party may participate in the defense of any claim with counsel reasonably acceptable to the indemnifying Party, at the indemnified Party's own expense.

19. LIMITATION OF LIABILITY; EXCLUSION OF CONSEQUENTIAL DAMAGES.

19.1 EXCEPT FOR CLAIMS ARISING AS A RESULT OF (A) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 22 AND (B) A PARTY'S INDEMNIFICATION OBLIGATIONS WITH RESPECT TO THIRD PARTY LOSSES UNDER SECTION 18: (I) NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY, ARISING FROM THE PERFORMANCE OF, OR RELATING TO, THIS AGREEMENT REGARDLESS OF WHETHER SUCH PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF, OR THE FORESEEABILITY OF, SUCH DAMAGES, AND (II) IN NO EVENT SHALL EITHER PARTY'S LIABILITY FOR DAMAGES HEREUNDER EXCEED, WITH RESPECT TO ANY SERVICES, THE AMOUNT OF FEES PAID BY SERVICE RECIPIENT TO SERVICE PROVIDER UNDER THIS AGREEMENT, SOLELY TO THE EXTENT RELATED TO THE SERVICES HEREUNDER, EXCEPT IN THE CASE OF SUCH PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION 19.1 SHALL LIMIT SERVICE RECIPIENT'S LIABILITY FOR PAYMENT OF THE FEES AND REIMBURSABLE COSTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

20. TERMINATION

20.1 Termination by agreement. Service Recipient and Service Provider may agree to terminate this Agreement early, either with respect to all Regions or any one or more Regions hereunder, at any time subject to prior written mutual agreement (including as to notice (which shall not be less than ninety (90) days), exit costs and revised fees for remaining Regions and Services).

20.2 Termination by Either Party. Either Party may terminate this Agreement with respect to an affected Region if the other Party commits a material breach of this Agreement that materially and adversely impacts the provision of Services in such Region or the other Party or an Affiliate of the other Party or its business, operations or assets and fails to cure such breach within ninety (90) days (thirty (30) days in the event of a payment breach) after receiving written notice of the breach. The Parties hereto hereby acknowledge and agree that any breach by any of their respective Representatives of any term or condition of this Agreement shall be deemed to be a breach by the applicable Party hereto of such term or condition (and any material breach by such Persons that has the effect set forth in the preceding sentence shall be grounds for termination of the affected Service pursuant to the preceding sentence). Any notice sent by Service Provider with respect to a material breach and/or intention to terminate this Agreement shall also be sent to Service Recipient addressees in Section 25.8.

20.3 Survival of Selected Provisions. Any provision which by its nature should survive, including the provisions of this Section 20.3 (Termination), Section 11 (Factoring, Fees, Reimbursable Costs and Payment Terms), Section 16 (Risk of Loss),

Section 18 (Indemnification), Section 19 (Limitation of Liability; Exclusion of Consequential Damages), Section 22 (Confidentiality), Section 23 (Force Majeure), and Section 25 (Miscellaneous), shall survive the termination of this Agreement.

20.4 Post-Termination or Expiration Obligations. In connection with the termination or expiration of this Agreement for any reason whatsoever, the applicable Transition Plans shall govern the Parties' activities with respect to transitioning from all Services. Each Party shall use commercially reasonable efforts to return any and all written Confidential Information and any other materials and property in tangible form in the possession or under the control of such Party to the other Party, including any marketing materials, literature and product samples.

21. INTELLECTUAL PROPERTY RIGHTS

21.1 Existing Ownership Rights Unaffected. Neither Party will gain, by virtue of this Agreement, any rights of ownership (or, except as provided in Section 21.3, use) of copyrights, patents, trade secrets, trademarks or any other intellectual property rights owned by the other Party or its Affiliates. Except as set forth in the Ancillary Agreements, no license, title, ownership, or other intellectual property or proprietary rights are transferred to Service Recipient or any Service Recipient Representative pursuant to this Agreement, and Service Provider retains all such rights, titles, ownership and other interests in the Service Provider ERP System and all other software, hardware, systems and resources it uses to provide the Services, including, any special programs, functionalities, interfaces, or other work product that Service Provider or its Representatives may develop at Service Recipient's request to provide the Services. Each Party shall be the sole and exclusive owner of, and nothing in this Agreement shall be deemed to grant the other Party, or any Representative of such Party, any right, title, license (other than as provided in Section 21.3), leasehold right or other interest in or to, any copyrights, patents, trade secrets, other intellectual property rights, ideas, concepts, techniques, inventions, processes, systems, works of authorship, facilities, floor space, resources, special programs, functionalities, interfaces, computer hardware or software, documentation or other work product developed, created, modified, improved, used or relied upon by either Party or its Representatives in connection with the providing or receiving Services or the performance of either Party's obligations hereunder. For the avoidance of doubt, no items created by either Party shall be considered a work made for hire for the other Party within the meaning of Title 17 of the United States Code.

21.2 Removal of Marks. The Parties agree that neither will remove any copyright notices, proprietary markings, trademarks or other indicia of ownership of the other Party from any materials of the other Party.

21.3 Intellectual Property License. Each Party hereby grants to the other, on behalf of itself and its Affiliates and only during the Term, a non-exclusive, worldwide, royalty-free, non-transferable, non-sublicensable, fully paid-up license to use any software, development tools, know-how, methodologies, processes, technologies, algorithms or any other intellectual property owned by such Party solely to the extent it is required for the purpose of providing or receiving such Services.

22. CONFIDENTIALITY

22.1 During the period beginning on the Commencement Date and ending on the date that is six (6) years from the date of expiry or termination of this Agreement, each Party shall retain in strict confidence, and shall cause such Party's Representatives to retain in strict confidence, the terms and conditions of this Agreement and all information and data relating to the other Party or its Affiliates received pursuant to this Agreement, including information regarding its business, employees, development plans, programs, documentation, techniques, trade secrets, systems, software and know-how ("Confidential Information"), and shall not use such Confidential Information other than in connection with the performance of this Agreement and, unless otherwise required by law, an order of court, a subpoena or other legal process (subject to Section 22.2 below), disclose such information to any Third Party without the other Party's prior written consent, except for Confidential Information that:

(a) was in such Party's possession on a non-confidential basis prior to the time of disclosure to such Party by the disclosing Party or its Representatives;

(b) was or becomes generally available to the public other than as a result of a disclosure by such Party or its Representatives;

(c) becomes available to such Party on a non-confidential basis from a source other than the disclosing Party or its Representatives;

(d) was independently developed by such Party without the use of Confidential Information of the other Party; or

(e) a Party is required to disclose to enforce its rights in this Agreement (and such use or disclosure shall be limited to that reasonably necessary for purposes of such enforcement, and subject to a protective order or other confidentiality protection where appropriate),

provided, in the case of clause (a) or (c), that the source of such information is not bound by a confidentiality agreement with the disclosing Party or otherwise prohibited from disclosing the information to the receiving Party by a contractual, legal or fiduciary obligation.

22.2 In the event that the receiving Party or any of its Representatives are requested or required by applicable Law, an order of court, a subpoena or other legal process to disclose any Confidential Information, the receiving Party will provide the disclosing Party with prompt written notice of any such request or requirement so that the disclosing Party may seek an appropriate protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, or that the disclosing Party chooses not to seek such remedy, the receiving Party may disclose only that portion of the Confidential Information which is legally required and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information. The receiving Party agrees not to oppose action taken by the disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

22.3 Each Party hereby acknowledges that the Confidential Information of the other Party may still be under development, or may be incomplete, and that such information may relate to products that are under development or are planned for development. NEITHER PARTY MAKES ANY REPRESENTATIONS REGARDING THE ACCURACY OF THE CONFIDENTIAL INFORMATION IT DISCLOSES TO THE OTHER PARTY. Neither Party shall have responsibility for any expenses, losses or actions incurred or undertaken by the other Party as a result of the other Party's receipt or use of Confidential Information.

22.4 It is understood and agreed that monetary damages may not be a sufficient remedy for any breach of this Section 22, and that the disclosing Party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section 22, but shall be in addition to all other remedies available at law or equity.

22.5 The obligations in this Section 22 shall survive any expiration or termination of this Agreement for six (6) years after the date of expiration or termination of this Agreement; provided, however, that, with respect to each trade secret of a Party or its Affiliates (where it is reasonably apparent that such item is a trade secret), such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret.

23. FORCE MAJEURE

23.1 Each Party (including their Affiliates) will be excused for any failure or delay in performing any of its obligations under this Agreement if such failure or delay is caused by any event or condition beyond the reasonable control of the impacted Party (including their Affiliates), including act of God, law or government regulations, court orders, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, destruction of facilities, systems or materials by fire, earthquake, storm or like catastrophe (a "Force Majeure Event"); provided, however that the impacted Party notifies the other Party as soon as practicable, in writing, upon learning of the occurrence of the Force Majeure Event, stating the date and extent of such suspension and the cause thereof, and the Parties shall promptly confer, in good faith, on what action may be taken to minimize the impact, on both Parties, of such condition; provided, further, that the impacted Party (including their Affiliates) shall take measures to overcome the condition with respect to the Services which are consistent in all material respects with the measures taken in connection with the Party's other similarly affected operations, as relevant. A Party's (including their Affiliates') obligations hereunder (except their obligations expressly set forth in the foregoing sentence and their payment obligations in respect of Services already provided) shall be postponed until the cessation of the Force Majeure Event; provided that such Party will use commercially reasonable efforts to resume its performance hereunder.

24. AUDIT

24.1 Service Recipient shall be entitled, at Service Recipient's cost, to appoint an independent auditor reasonably acceptable to Service Provider to conduct periodic audits (not more frequently than twice per year) on reasonable advance notice and during normal business hours of the Reimbursable Costs, Set-Up Costs, the Net Revenue component of Administrative Fees and/or other expenses being charged in connection the Services provided by Service Provider, provided such audits shall be conducted in a manner that is intended to minimize, to the extent reasonably possible, disruption to the operations of Service Provider and its relevant Affiliates. Any such audits must be completed within six (6) months after completion of a Service. The independent auditor shall enter into a confidentiality agreement with Service Provider containing customary confidentiality obligations and shall, promptly following completion of such audit, disclose only the audit report, without any confidential audited materials, to both Parties.

24.2 If a Governmental Authority audit of Service Recipient reasonably requires access to records in Service Provider's possession with respect to the Services, Service Provider will reasonably cooperate to provide such records to allow the Service Recipient to comply with applicable Law.

24.3 Service Recipient shall be entitled, at Service Recipient's cost, during normal business hours and on reasonable notice to the Service Provider (and/or the relevant Service Provider Affiliate), to access the premises of the Service Provider (and/or the relevant Service Provider Affiliate) or the premises of a Third Party (provided that the Service Provider or relevant Service Provider Affiliate has the right to access such premises) where reasonably required to ensure that the Services are being provided to the standards required under this Agreement.

25. MISCELLANEOUS.

25.1 Mutual Cooperation. Each Party shall, and shall cause its Affiliates to, cooperate with the other Party and its Affiliates in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Affiliates; and, provided, further, that this Section 25.1 shall not require such Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties.

25.2 Further Assurances. Subject to the terms of this Agreement, each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

25.3 Audit Assistance. Each of the Parties and their respective Affiliates are or may be subject to regulation and audit by a Governmental Authority (including a Taxing Authority, as such term is defined in the Transition Services Agreement), standards organizations, customers or other parties to contracts with such Parties or their respective Affiliates under applicable Law,

standards or contract provisions. If a Governmental Authority, standards organization, customer or other party to a contract with a Party or its Affiliate exercises its right to examine or audit such Party's or its Affiliate's books, records, documents or accounting practices and procedures pursuant to such applicable Law, standards or contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party, all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information (as such term is defined in the Transition Services Agreement), to the extent that such assistance or Information is within the reasonable control of the cooperating Party and is related to the Services.

25.4 Counterparts; Entire Agreement; Corporate Power.

25.4.1 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

25.4.2 This Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements govern the arrangements in connection with the Separation and Distribution and would not have been entered into independently.

25.4.3 Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

25.5 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

25.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, Service Provider may assign this Agreement or all of its rights or obligations hereunder to any Affiliate without Service Recipient's prior written consent (but with notice to the Service Recipient) solely to the extent such Affiliate can continue to deliver the Services hereunder without interruption.

25.7 Third-Party Beneficiaries. Except as expressly stated otherwise in this Agreement, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder; and (b) there are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

25.8 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and except as provided herein shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, by electronic mail ("e-mail"), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 25.8):

If to Service Provider, to:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

If to Service Recipient, to:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

Any Party may, by notice to the other Party, change the address to which such notices are to be given or made.

25.9 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons

or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

25.10 Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

25.11 Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

25.12 Specific Performance. Subject to Section 7, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties. Unless otherwise agreed in writing, Service Provider shall continue to provide Services and the Parties shall honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of Section 7 and this Section 25.12 with respect to all matters not subject to such Dispute; provided, however, that this obligation shall only exist during the term of this Agreement.

25.13 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom enforcement of such waiver, amendment, supplement or modification is sought.

25.14 Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

25.15 Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein” and “herewith” and words of

similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if"; (h) unless otherwise specified in a particular case, the word "days" refers to calendar days; (i) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by Law to close in the United States or Franklin Lakes, New Jersey; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to January 1, 2022.

25.16 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

26. SCHEDULES

26.1 The following Schedules, as amended or supplemented from time to time, are attached hereto and made part of this Agreement.

Schedule Number	**Name**
1	Service Provider and Service Recipient Entities by Region
2	Services Schedule
3	Excluded Services
4 – Part I	Factoring Agreement
4 – Part II	Receivables Servicing Agreements
5	Pricing
6	Certain Service Recipient Responsibilities
7	Products

[Signatures Follow On a Separate Page]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by their respective officers thereunto duly authorized all as of the date first written above.

"Service Recipient"

Embecta Corp.

By: /s/ Gary Michael DeFazio

Name: Gary Michael DeFazio

Title: Secretary

"Service Provider"

Becton, Dickinson and Company

By: /s/ Gary Michael DeFazio

Name: Gary Michael DeFazio

Title: Senior Vice President, Corporate Secretary and Associate General Counsel

Exhibit 10.19

FORM OF DISTRIBUTION AGREEMENT[1]

THIS DISTRIBUTION AGREEMENT (this "Agreement") is dated as of [•][2], by and between:

(A) [*Please delete as appropriate, for APAC:* MWB Shelfco 65 Pte. Ltd. */ for LATAM:* [Berra Operations LLC and MWB 41 Sàrl] */ for EMEA:* MWB 41 Sàrl ([*for LATAM only:* together] "Supplier"); and

(B) [For APAC: Becton Dickinson Holdings Pte. Ltd. / For LATAM: Becton, Dickinson and Company for the Products exported to the Territories by Becton, Dickinson and Company and BD Switzerland Sàrl for the Products exported to the Territories by BD Switzerland Sàrl / For EMEA: BD Switzerland Sàrl] ([*for LATAM only:* each (as applicable for the relevant Products)]"Distributor").

Supplier and Distributor may each be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, in connection with the transactions contemplated by the Separation and Distribution Agreement, the Parties contemplate that during the Term (as defined herein), Distributor will be appointed as a distributor of Supplier to support certain commercial operations of the SpinCo Business as it relates to the Products (as defined herein) in each Territory until (i) Governmental Approvals required to distribute the Products in such Territory are obtained and order-to-cash processes and other services of the SpinCo Business for such Territory are migrated to an alternative commercial arrangement between the Parties, or (ii) the services of the SpinCo Business for such Territory are transitioned to a third-party distributor or to an independent infrastructure of Supplier, in each case in accordance with the terms and conditions set forth herein (the "Purpose").

WHEREAS, Becton Dickinson Holdings Pte. Ltd. exports the Products to the relevant Territory as agent for Supplier pursuant to the LSA.[3]

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1 Note to Form: once the template has been agreed this agreement will be duplicated x 3: one for APAC (covering China (5%- Shanghai), India (includes sales to Bangladesh and South Asia), Indonesia, Korea, Taiwan and Hong Kong); one for LATAM (covering Brazil (excluding product from Curitiba), Colombia (includes sales to Ecuador), Argentina, Chile, Peru and Mexico); and one for EMEA (covering Israel and Italy)

2 Note to Form: the date of the agreement shall be the Distribution Date (as defined in the Separation and Distribution Agreement)

3 Note to Form: required for APAC Distribution Agreement only

WHEREAS, Becton, Dickinson and Company and BD Switzerland Sàrl exports the Products to the relevant Territory as agent for Supplier pursuant to the LSA.[4]

WHEREAS, BD Switzerland Sàrl exports the Products to the relevant Territory as agent for Supplier pursuant to the LSA.[5]

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS

For the purpose of this Agreement, the following capitalized terms shall have the following meanings. Capitalized terms which are used but not defined herein shall have the meanings ascribed to such terms in the Separation and Distribution Agreement.

"Additional Services" shall have the meaning set forth in Section 4.6.

"Affiliate" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, however, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

"Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement (but, for the avoidance of doubt, includes the Separation and Distribution Agreement.

"Claim" shall have the meaning set forth in Section 18.4.

"Commencement Date" shall mean the date at the top of this Agreement.

"Confidential Information" shall have the meaning set forth in Section 22.1.

"Customer Agreements" shall have the meaning set forth in Section 8.2.

"Data Protection Laws" means: (a) the Data Protection Act 2018; (b) the General Data Protection Regulation (EU) 2016/679 ("GDPR"); (c) the GDPR as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018, and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 ("UK GDPR"); (d) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426), and (e) all United Kingdom and European Union (with direct effect) laws and regulations relating to processing of personal data and privacy together with the corresponding laws of any other applicable jurisdiction in which the Services are provided or received."Dispute" shall have the meaning set forth in Section 7.1.

4 Note to Form: required for LATAM Distribution Agreement only

5 Note to Form: required for EMEA Distribution Agreement only

"Distribution Date" shall have the meaning given to it in the Separation and Distribution Agreement.

"Distributor" shall have the meaning set forth in the Preamble.

"Distributor ERP System" means those information technology systems and platforms selected by Distributor, in its sole discretion acting reasonably for use in connection with the performance of Services.

"Excluded Services" means those applications, services, functions and reports specifically set forth in Schedule 4, except in each case aspects of such applications, services, functions and reports, if any, to the extent specifically set forth in the Services Schedule as of the date the Separation and Distribution Agreement is first executed by the parties thereto or in any other Ancillary Agreement.

"Field Action" shall have the meaning set forth in Section 10.1.

"Force Majeure Event" shall have the meaning set forth in Section 23.1.

"Governmental Authority" shall have the meaning set forth in the Separation and Distribution Agreement.

"Guardrail" shall have the meaning set forth in Section 12.1.

"Interest Payment" shall have the meaning set forth in Section 11.2.1.

"Local Sub-Distributor" shall mean, for each Territory, each Affiliate of the Distributor that is listed in the "Local Sub-Distributor" column in the table set forth in Schedule 1.

"Local Services Agreement" shall mean each "Support Services Agreement" in each Territory, by and between the local Supplier Affiliate and Local Sub-Distributor for the provision of local support services.

"Losses" shall have the meaning set forth in the Separation and Distribution Agreement.

"LSA" shall mean that certain Logistics Services Agreement, dated as of [•], by and between Supplier and Distributor.

"Net Revenue" shall mean, with respect to a given month and in each Territory (as applicable), the total net revenue of the applicable Local Sub-Distributor in connection with any Products for such month, calculated in accordance with United States GAAP as:

(a) the total gross revenue of the applicable Local Sub-Distributor with respect to the Products for such month in the relevant Territory, including (1) the total amount invoiced to customers (end-user or distributor), (2) any service fees or other amounts charged, or (3) freight, shipping, logistics or other costs charged, in each case (1)-(3) with respect to any Products for such month in the relevant Territory; minus

(b) provisions made for volume rebates, distributor chargebacks and payment term discounts, with respect to Products in such month, in each case, only to the extent such provision for returns, rebates or chargebacks are made in such month in the relevant Territory; plus or minus

(c) any product returns or debit or credit memos with respect to Products for such month in the relevant Territory, as applicable, in each case consistent with Supplier's generally applicable internal policies and practices, consistent with past practice;

provided that "Net Revenue" shall exclude: (x) any sales and value-added tax (VAT), and (y) accounts receivable tolerance write-offs, in each case (x) and (y) with respect to Products for such month in the relevant Territory.

"Non-Payment Notice" shall have the meaning set forth in Section 11.2.1.

"Party" and "Parties" shall have the meaning set forth in the Preamble.

"Person" means any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust or company (including any limited liability company or joint stock company) or other similar entity or Governmental Authority.

"Pre-Effective Date Distribution Form" shall have the meaning set forth in Section 4.4.1.

"Product(s)" shall mean the products as described in Schedule 3 that are supplied in each Territory, as applicable.

"Product Price" shall have the meaning set forth in Section 11.1.1.

"Purpose" shall have the meaning set forth in the Recitals.

"Reimbursable Costs" means, in each case without any mark-up, all shipping costs, selling costs, general administration costs, costs of sales, R&D services costs, costs of Sales and Promotion Services (as described in Schedule 2), fees payable under the Local Services Agreement and other income and expenses related to the SpinCo Business direct P&L, that are incurred by the Distributor directly, as allocated costs or as costs payable to a Third Party.

"Representative(s)" shall mean (a) with respect to Distributor, Distributor, its Affiliates and each of their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent designated by Distributor to provide Services under this Agreement, and (b) with respect to Supplier, Supplier, its Affiliates and each of their respective officers, directors, employees, consultants, contractors and agents, in each case to the extent authorized to receive Services or to perform any obligations on behalf of Supplier pursuant to this Agreement.

"Return" shall mean, with respect to any Services in the Territories, an amount equal to the percentage of Net Revenue for such Territory, as set out in Schedule 1 for each Territory.

"Separation and Distribution Agreement" shall mean that certain Separation and Distribution Agreement to be entered into by and between Becton, Dickinson and Company and Embecta Corp.

"Services" shall mean all services to be provided to Supplier as described on the Services Schedule or as added to the Services Schedule pursuant to Section 4.6.

"Services Schedule" shall mean the schedule attached hereto as Schedule 2.

"Set-Up Costs" shall have the meaning set forth in Section 4.1.

"SpinCo Business" shall have the meaning set forth in the Separation and Distribution Agreement.

"Supplier" shall have the meaning set forth in the Preamble.

"Subdistributor" shall have the meaning set forth in Section 14.1.

"Term" shall have the meaning set forth in Section 3.1.

"Territory" shall mean each territory identified in Schedule 1, and for the purpose of any early termination in accordance with Section 20 "Territory" shall mean each of LATAM and CASAJ (as applicable).

"Third Party" means any Person other than Distributor, Supplier or their respective Affiliates.

"Transition Plans" shall have the meaning set forth in Section 3.2.2.

"True-Up" shall have the meaning set forth in Section 11.1.2(a).

"True-Up Amount" shall have the meaning set forth in Section 11.1.2(a).

"Warranties" shall have the meaning set forth in Section 8.4.

"Withholding Agent" shall have the meaning set forth in Section 11.4.2.1.

2. APPOINTMENT

2.1 Subject to the terms and conditions of this Agreement, Supplier, on behalf of itself and its Affiliates, hereby (i) grants to Distributor and its applicable Local Sub-Distributor the right to distribute the Products in the Territories, and (ii) appoints Distributor and its applicable Local Sub-Distributor, in each case as their distributor with respect to such Services for the Products in the applicable Territory, in each case as described in Schedule 1 and on the terms and conditions set forth in this Agreement. This Agreement does not give Distributor any right to, or to authorize any Subdistributor to, manufacture, assemble, or in any other way produce the Products.

2.2 [For EMEA: Supplier acknowledges that each Local Sub-Distributor is entitled to retain the Return as set out in Schedule 1 / For APAC: Supplier acknowledges that Distributor will determine how to allocate the Return among itself and Local Sub-Distributors.][6]

3. TERM

3.1 This Agreement shall commence on the Commencement Date and terminate on the second (2nd) anniversary of the Commencement Date (the "Term"), unless terminated earlier under Section 20.

3.2 Transition Plan.

3.2.1 Each Party shall use diligent, concerted and commercially reasonable efforts to cause Supplier to transition off of the provision of the Services in each Territory (including by transitioning to an alternative arrangement with respect to the Products in such Territory, if applicable) as promptly as possible, but in no event later than the end of the applicable Term. The Parties shall transition responsibility for the performance of Services to Supplier in a manner that minimizes, to the extent reasonably possible, disruption to the SpinCo Business and the continuing operations of Distributor and its relevant Affiliates, including in relation to orders for Products placed by customers up to the effective date of the expiration or termination of this Agreement. For the avoidance of doubt Supplier shall be primarily responsible with respect to transitioning off of the provision of Services in each Territory. Distributor shall have no obligation hereunder to perform (or procure that its Affiliates perform) any Services following the Term. The Parties acknowledge and agree that time is of the essence with respect to the foregoing in this Section 3.2.1.

3.2.2 In furtherance of Section 3.2.1, Supplier shall use commercially reasonable efforts to set forth the steps required to transfer the Services in each Territory to Supplier, a successor distributor and/or a logistics services provider in a written transition plan or plans with respect to such Territory (the "Transition Plans"). The Supplier shall use its commercially reasonable efforts to develop the Transition Plans within six (6) months after the Distribution Date and Distributor shall reasonably consult with Supplier in

6 Note to Form: Clause 2.2 not required for LATAM Distribution Agreement

preparation thereof. In furtherance of the foregoing, Distributor shall provide to Supplier information reasonably requested by Supplier that is necessary for Supplier to develop the Transition Plans, and the Parties shall reasonably cooperate with respect to the development of the Transition Plans (including through the Distributor Functional Leads and Supplier Functional Leads).

3.2.3 Without limitation to and subject to Section 3.2.2, the Parties will reasonably cooperate in an effort to agree in writing with respect to reasonable Transition Plans, and if the Parties agree in writing to such Transition Plans, then the Parties shall each use commercially reasonable efforts to undertake the activities expressly delegated to and agreed to by such Party in such Transition Plans. To the extent support is required by the Distributor in a material respect for the purposes of implementation of the Transition Plan, Distributor will be reimbursed for those services at an agreed upon hourly rate, unless otherwise provided for in such Transition Plan.

3.2.4 Distributor shall reasonably cooperate with Supplier with respect to efforts by Supplier to obtain new or replacement contracts with respect to Services as it concerns Third Party vendors with which Distributor has commercial relationships with respect to such Services; provided, that for the avoidance of doubt Supplier shall be primarily responsible with respect to obtaining such new or replacement contracts.

4. DESCRIPTION OF SERVICES

4.1 Subject to the terms and conditions of this Agreement, Distributor will use commercially reasonable efforts to provide or cause its Affiliates to provide such Services to Supplier and its Affiliates during the Term. Each Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and in the Services Schedule. Except as already performed by Parent and paid for by SpinCo under an Ancillary Agreement that covers the Services provided hereunder, or as otherwise expressly provided herein, with respect to an applicable Service, if any set up charge or any other similar costs reasonably necessary for the commencement of such Service for the Territory in accordance with the terms hereof are required ("Set-Up Costs"), such Set-Up Costs shall be the responsibility of the Supplier and such charges and costs shall be deemed to be "Reimbursable Costs" hereunder and deducted as part of the True-Up in accordance with Section 11.1.2.

4.2 Schedules and Precedence. This Agreement shall govern the provision of Services. Except with respect to any limitations on the Services set forth in this Agreement, if there is any inconsistency between the terms of the Services Schedule and the terms of the main body of this Agreement (i) the terms of the Services Schedule shall govern with respect to the provision of a specific Service (including pricing, term, technical or operational matters) and (ii) the main body of this Agreement shall govern for legal terms and conditions.

4.3 Information. Unless otherwise mutually agreed by the Parties, the Services Schedule and any amendments thereto shall set forth, at a minimum, the following information for each listed Service:

(a) a description of the Service to be provided; and

(b) any other terms uniquely applicable to such Service.

4.4 Nature of Services.

4.4.1 Unless otherwise expressly set forth in the Services Schedule, for each Territory Distributor shall perform the Services in substantially the same form and at a relative level of service that such Services were performed internally by or on behalf of Distributor (or for Services provided by a Third Party, if applicable, the form consistent with the requirements of the Third Party contract under which such Service was last provided before the Commencement Date by a Third Party) with respect to the SpinCo Business in the twelve (12) months prior to the Commencement Date to the extent transacted through the Distributor ERP System, in each case with respect to, without limitation, quality, availability and volume (as may be increased to take into account the hiring of employees to operate the SpinCo Business as of the Commencement Date and increases in volume reasonably attributable to the organic growth of the SpinCo Business following the Commencement Date); provided, however, that such performance shall at a minimum be at no lesser standard of quality generally consistent with the services or arrangements Distributor provides to its own Affiliates (collectively, the "Pre-Effective Date Distribution Form"). Notwithstanding the foregoing, Distributor may change a Pre-Effective Date Distribution Form solely to the extent (a) any change in nature, scope or performance levels is agreed in writing by the Parties from time-to-time during the Term of this Agreement, (b) of any restrictions imposed on Distributor by applicable Law or regulation, in which case any such change shall be to the minimum extent necessary, as determined by Distributor in its reasonable discretion, such that Distributor can provide such Service in compliance with applicable Law or regulation, (c) any changes in the nature, scope and performance levels of such Service are necessitated by the Separation and Distribution (as both terms are defined in the Separation and Distribution Agreement), or the organic growth of the SpinCo Business during the Term, (d) any modification in process for providing Services are necessitated by the extraction of the SpinCo Business from Distributor's continuing operations and (e) required by any contractual obligations owed by Distributor to any Third Party(ies) with respect to Services provided by, from or through such Third Party(ies) hereunder. Regarding the changes described in the previous sentence, Distributor shall implement such changes in a commercially reasonable manner that, where practical, is consistent with the practices performed internally by or on behalf of Distributor with respect to the SpinCo Business in the twelve (12) months prior to the Commencement Date. For the avoidance of doubt, in providing the Services, Distributor may use any information systems, hardware, software, processes and procedures it deems necessary or desirable in its reasonable discretion, provided that (i) Distributor shall provide notice to Supplier with respect to material changes by Distributor to any such systems, hardware, software, processes and procedures, if any, that are made solely with respect to Supplier (and not similar services for itself or its Affiliates), in which case, Distributor shall use commercially reasonable efforts to make such changes in a manner that does not cause Supplier to incur increased costs hereunder and shall notify Supplier in advance if such changes will result in a material increase in costs, and (ii) any changes by Distributor to any such systems, hardware, software, processes and procedures, will not be made in a manner that adversely affects in any material respect the ability of Distributor to comply with its obligations to provide the Services in the Pre-Effective Date Distribution Form to the extent required above in this Section 4.4.1.

4.4.2 To the extent Distributor fails to provide Services in accordance with the terms of this Agreement, Distributor shall as soon as practicable correct the non-conforming portion of such Services such that it can provide such Service in the Pre-Effective Date Distribution Form to the extent required by Section 4.4.1, in each case at no extra charge or cost to Supplier.

4.4.3 Distributor will use commercially reasonable efforts in the performance of the Services and its duties and obligations hereunder with the same degree of care, skill and prudence customarily exercised when engaging in similar activities for itself and, without limitation, Distributor will use commercially reasonable efforts to provide the Services in accordance with the service standards set forth in this Section 4.4.

4.4.4 WITHOUT LIMITING THE OBLIGATIONS SET OUT IN SECTION 4.4.1, AND WITHOUT LIMITING ANY REPRESENTATION OR WARRANTY IN THE SEPARATION AND DISTRIBUTION AGREEMENT, (i) ALL SERVICES PERFORMED AND THE DISTRIBUTOR ERP SYSTEM PROVIDED BY DISTRIBUTOR HEREUNDER ARE PERFORMED, PROVIDED, AND MADE AVAILABLE ON AN "AS IS" AND "WITH ALL FAULTS" BASIS, AND (ii) DISTRIBUTOR DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, NONINFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE.

4.5 Service Limitations.

4.5.1 Notwithstanding any provision of this Agreement to the contrary:

(a) except as and to the extent necessary for the receipt of any Services by Supplier, any arrangements provided under and subject to the other Ancillary Agreements, Distributor shall have no obligation to provide Supplier with access to or use of any Distributor information technology systems, information technology, platforms, networks, applications, software databases or computer hardware;

(b) Distributor shall have no obligation to provide Supplier with any Excluded Services and Distributor shall not be obligated to provide and shall not be deemed to be providing any advisory services (including advice with respect to legal, financial, accounting, insurance, regulatory or tax matters) to Supplier or any of its Representatives as part of or in connection with the Services or otherwise;

(c) Distributor shall have no obligation, unless to the extent necessary to provide the Services, and without limiting, for clarity, Section 10.1, to prepare or deliver any notification or report to any Governmental Authority or other Person on behalf of Supplier or any of its Representatives; and

(d) in no event shall Distributor or its Affiliates have any obligation to favor Supplier or any of its Affiliates' operation of the SpinCo Business over its own business operations or those of its Affiliates.

4.5.2 Notwithstanding any provision of this Agreement to the contrary, Distributor shall not be required to:

(a) perform any Service or provide access to or use of any part of the Distributor ERP System in any manner that violates or contravenes any restrictions imposed on Distributor by applicable Law or regulation;

(b) perform any Service or provide access to or use of any part of the Distributor ERP System in any manner that breaches or contravenes any contractual obligations owed by Distributor to any Third Party(ies). Distributor will provide written notice to Supplier to the extent any such Third Party contractual obligation will materially impact the provision of applicable Services hereunder (or change the cost thereof);

(c) hire any additional employees, maintain the employment of any one or more specific employees, or purchase, lease or license any additional equipment, software (including additional seats or instances under existing software license agreements) or other resources (in each case in this Section 4.5.2(c) subject to Distributor's compliance with its obligations to provide the applicable Services in the Pre-Effective Date Distribution Form to the extent required by Section 4.4.1); or

(d) bear or pay any costs related to the conversion of the Supplier's data at the Supplier's request without limiting, for clarity, Sections 4.4.1 and 4.7.

4.5.3 Distributor shall have no obligation to provide data migration support including any data extraction, data cleansing or data insertion, with respect to historical or transactional data except as and to the extent set forth in this Section 4.5.3 or as and to the extent otherwise expressly set forth herein or in another Ancillary Agreement. Notwithstanding the foregoing, Distributor shall (i) provide master data (including product master data, vendor master data, customer master data, materials master data, and employee master data) in the form and format that it exists on the Distributor ERP System (or in another format readily convertible by Distributor if reasonably requested by Supplier) related to the SpinCo Business and reasonably necessary for Supplier to set up its own systems with such data for purposes of operating the SpinCo Business, (ii) provide reasonable access to Supplier with respect to reasonable and specific requests for historical data and reports (including historical and legacy contracts and legal claims matters) to the extent related to the SpinCo Business, if such data and reports are maintained in a form and manner that access can be readily provided by Distributor, and (iii) consider in good faith reasonable and specific requests by Supplier with respect to other data, if any, reasonably necessary for use by Supplier in the SpinCo Business at Supplier's cost.

4.5.4 Distributor shall have the right to shut down temporarily for maintenance or similar purposes the operation of the Distributor ERP System or any other facilities or systems of Distributor or its Affiliates providing any Service whenever in Distributor's reasonable judgment such action is necessary or advisable for general maintenance or emergency purposes; provided that without limiting the immediately following sentence, Distributor will schedule non-emergency general maintenance impacting the Services so as not to materially disrupt the operation of the SpinCo Business by Supplier. Distributor will give Supplier reasonable advance notice of any such shut down for general maintenance purposes or other planned shut down.

4.5.5 Distributor will be excused from performing any portion of a Service under this Agreement to the extent that, and solely for so long as, it is actually prevented from performing such portion of such Service as a result of Supplier's or any of its Representatives' failure to comply with Supplier's obligations set forth in Section 6. The Parties will use commercially reasonable efforts to cooperate to agree upon steps to be taken by Supplier to address and mitigate such adverse effect, and to the extent reasonably practicable the Services will resume in accordance with the terms hereof upon such mitigation.

4.6 Additional Services. Supplier may, within ninety (90) days following the Distribution Date, identify in writing to Distributor additional services related to the Purpose that (i) Distributor and its Affiliates (other than Supplier and its Affiliates) have been providing or have provided in such Territory in connection with the ordinary course of operation of the SpinCo Business in the twelve (12) months prior to the Commencement Date or otherwise are necessary to physically and logically separate the operations and the systems of the SpinCo Business from Distributor, (ii) are not described in the Services Schedule and are not, for clarity, Excluded Services hereunder or described in the Transition Services Agreement, and are not otherwise capable of constituting Services, Additional Services or Excluded Services, under the Transition Services Agreement and (iii) are necessary for the Supplier and its Affiliates to continue to conduct the SpinCo Business from and after the Commencement Date (collectively, except for the Excluded Services, the "Additional Services"). If Distributor has the necessary assets, rights and resources to reasonably provide such Additional Services, and Supplier is not reasonably in a position to provide such Additional Services or obtain such Additional Services from a Third Party on the same time frame as such services would be available from Distributor, then with the written approval of Distributor, not to be unreasonably withheld, conditioned or delayed, the Parties shall execute a written amendment to the then-current Services Schedule to reflect such Additional Service with respect to the applicable Territory(ies) and terms and conditions (which shall be reasonably agreed to by the Parties and otherwise shall be consistent with all terms, conditions and pricing applicable to the other Services hereunder, as applicable), and such Additional Service shall then be deemed a "Service" hereunder for the relevant Territory(ies).

4.7 Modifications. Subject in all cases to the provision of the Services in accordance with the service standards set forth in Section 4.4, the Distributor ERP System or other resources used by Distributor to provide the Services may be changed, altered or modified from time to time at Distributor's reasonable discretion. Without limiting the foregoing, Distributor may modify a Service to the extent the same modification (including with respect to the cost, scope, nature, performance levels, timing and quality of such Service) is made with respect to Distributor's provision of such Service to itself and its Affiliates, as applicable. Distributor shall inform Supplier reasonably in advance in writing of (a) any changes to the Services pursuant to this Section 4.7 and (b) any material changes to the Distributor ERP System or other resources used to provide the Services that may affect Supplier's operation of the SpinCo Business with respect to the Purpose. Subject to the preceding provisions of this Section 4.7, any change in the scope, nature, performance levels or duration of any Service described in or other amendment to the Services Schedule must be agreed by the Parties in writing and signed by the Parties.

4.8 Use of Services. For each Territory, Distributor shall not be required to provide the Services to any Person other than Supplier and its Affiliates, and shall not be required to provide Services in connection with anything other than the Supplier's or its Affiliates' use or operation of the SpinCo Business with respect to the Purpose after the Commencement Date. Supplier shall not, and shall not permit any of its Representatives to, resell any Services to any Third Party or permit the use of any Services by any Third Party.

5. OBLIGATIONS OF DISTRIBUTOR

5.1 Responsibilities of Distributor.

5.1.1 Distributor shall maintain sufficient resources necessary to maintain all necessary Governmental Approvals to, and shall otherwise maintain sufficient resources to, perform its obligations hereunder in accordance with the terms hereof, including in accordance with the Pre-Effective Date Distribution Form applicable thereto. Without limiting the foregoing, with respect to product registrations, Distributor shall satisfy the obligations set forth in Section 10.4.

5.1.2 Without limiting any of its rights or obligations set forth in this Agreement Distributor shall:

(a) provide technical assistance and training to Supplier personnel to the extent specified in the Services Schedule.

(b) notify Supplier of problems with the Supplier's work environment that might interfere with the provision of Services hereunder.

(c) perform its obligations under this Agreement in a manner consistent with all legal requirements applicable to Distributor in its capacity as a provider of Services to the Supplier.

5.1.3 Distributor shall provide Supplier and its Representatives with information and documentation reasonably requested by Supplier that is reasonably necessary for Supplier to receive Services hereunder, to perform its obligations hereunder and to transition off the Services in accordance with Section 3.2, subject in each case to reasonable confidentiality, security and privacy controls, policies and procedures imposed by Distributor.

5.1.4 Distributor shall, during normal business hours and with reasonable prior notice, make available, as reasonably requested by Supplier, reasonable access to personnel and provide timely decisions reasonably requested by Supplier in order that Supplier may timely transition off the Services in accordance with Section 3.2.

5.1.5 In performing its obligations under this Agreement, Distributor shall comply with its obligations under the Data Protection Laws and shall not do or permit anything to be done which might cause or result in a breach by Supplier of the Data Protection Laws. If either Party concludes, at any time, that a data processing agreement is required in connection with the performance of any activities under this Agreement, it shall notify the other Party and the Parties shall agree and enter into reasonable terms in this respect.

6. OBLIGATIONS OF SUPPLIER

6.1 Certain Supplier Responsibilities. Without limiting Section 6.2, the Supplier shall be responsible for and shall perform or cause to be performed the activities set forth on Schedule 5. The Parties understand and agree that, notwithstanding anything to the contrary herein and without limiting Section 2, Distributor's sole responsibility hereunder is to provide the Services hereunder on behalf of and for the benefit of Supplier, as set forth herein, in each case without limiting either Party's rights or obligations under the Separation and Distribution Agreement or any other Ancillary Agreement.

6.2 Other Responsibilities of Supplier.

6.2.1 With respect to the Purpose, following the relevant Commencement Date, Supplier shall, for each Territory, (i) exercise ultimate control over the operation of the SpinCo Business, except to the extent of the Services, and (ii) be solely responsible for the operation of the SpinCo Business in accordance with all applicable Laws and regulations, except to the extent of the Services (and without limiting the services provided under the Transition Services Agreement).

6.2.2 Supplier shall, during normal business hours (or as may otherwise be expressly required to deliver a Service) and with reasonable prior notice, provide Distributor and its Representatives with access to its facilities as is reasonably necessary for Distributor to perform the Services and provide Distributor and its Representatives access to any systems or software applications that Distributor and its Representatives are obligated to provide hereunder.

6.2.3 Supplier shall provide Distributor and its Representatives with information and documentation reasonably requested by Distributor that is reasonably necessary for Distributor to perform the Services and provide access to the Distributor ERP System it is obligated to provide hereunder, subject in each case to reasonable confidentiality, security and privacy controls, policies and procedures imposed by Supplier.

6.2.4 Supplier shall, during normal business hours and with reasonable prior notice, make available, as reasonably requested by Distributor, reasonable access to personnel and provide timely decisions reasonably requested by Distributor in order that Distributor may perform its obligations hereunder.

6.2.5 Supplier acknowledges and agrees that certain of the Services to be provided hereunder were previously performed for Distributor or its Affiliates by individuals who may no longer be employed by Distributor or its Affiliates as a result of the Separation and Distribution Agreement and that the provision of the Services to Supplier may require Distributor's reasonable access to, or support from, Supplier's relevant employees.

6.2.6 Except for Services and Distributor ERP System expressly required to be provided by Distributor under this Agreement, Supplier shall be solely responsible for: (a) the selection, acquisition and maintenance of any and all Third Party products or services used by Suppliers; (b) all implementation, maintenance and support concerning such Third Party products and services; and (c) all costs associated with the activities described in clauses (a) and (b), above. Except as expressly set forth in this Agreement, Distributor shall have no obligation to acquire, host, maintain or otherwise support any such Third Party products or services.

6.2.7 Supplier is and shall remain solely responsible for the content, accuracy and adequacy of all data that Supplier, its Representatives transmit or have transmitted to Distributor for processing or use in connection with the performance of Services.

6.2.8 Supplier shall comply, and shall cause its Representatives to comply, with all applicable legal requirements in connection with their respective operations and obligations under this Agreement, including the receipt and use of the Services.

6.2.9 In performing its obligations under this Agreement, Supplier shall comply with its obligations under the Data Protection Laws and shall not do or permit anything to be done which might cause or result in a breach by Distributor of the Data Protection Laws.

6.2.10 Supplier shall maintain sufficient resources to perform its obligations hereunder in accordance with the terms hereof, including, for clarity, maintaining adequate staffing levels, including in accordance with the Pre-Effective Date Distribution Form applicable thereto. Without limiting the foregoing, with respect to product registrations, Supplier shall satisfy the obligations set forth in Section 10.4.

6.2.11 Mutual Responsibilities. The Parties will reasonably cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include:

(a) exchanging information relevant to the provision of Services hereunder;

(b) reasonable efforts to mitigate problems with the work environment interfering with the Services; and

(c) each Party requiring its personnel to obey any security regulations and other published policies of the other Party while on the other Party's premises which have been made available to the Party

6.2.12 Mutual Responsibilities for Governmental Approvals. Without limiting Section 6.2.11 or Section 10.4, the Parties will reasonably cooperate with each other with respect to maintaining such Governmental Approvals (other than product registrations) of each Party as are necessary for the distribution of the Products and provision and receipt of the Services with respect to each Territory hereunder, including by making such filings and taking such other commercially reasonable actions required under applicable Laws therefor.

7. DISPUTES

7.1 In the event of any controversy, dispute or claim (a "Dispute") arising out of or relating to any Party's rights or obligations under this Agreement (whether arising in contract, tort or otherwise), calculation or allocation of the costs of any Service or otherwise arising out of or relating in any way to this Agreement (including the interpretation or validity of this Agreement), such Dispute shall be resolved in accordance with the dispute resolution process referred to in Article VII of the Separation and Distribution Agreement.

7.2 In any Dispute regarding the True-Up Amount, if such Dispute is finally resolved pursuant to the dispute resolution process set forth or referred to in Section 7.1 and it is determined that the True-Up Amount that has been invoiced by one Party to the other Party (and that the Party receiving the invoice has paid to the other Party) is greater or less than the amount that the True-Up Amount should have been, then (i) if it is determined that the Party that received the invoice has overpaid the True-Up Amount then the other Party shall within ten (10) calendar days after such determination reimburse the Party that has overpaid an amount of cash equal to such overpayment, plus the Interest Payment, accruing from the date of payment by the Party that has overpaid to the time of reimbursement to them; and (ii) if it is determined that a Party has underpaid the True-Up Amount then they shall within ten (10) calendar days after such determination reimburse the other Party an amount of cash equal to such underpayment, plus the Interest Payment, accruing from the date such payment originally should have been made by the Party that has underpaid to the time of payment of the reimbursement.

8. INVENTORY; CUSTOMER AGREEMENTS

8.1 Inventory.

8.1.1 The Supplier shall manage demand and supply inventory planning and share these plans with the Distributor.

8.1.2 Each month, the Supplier shall provide the Distributor, at a minimum, twelve (12) month rolling inventory forecasts (including monthly volume and inventory requirements).

8.1.3 The Distributor and Supplier agree to mutually rectify back orders, but the Distributor is not financially obligated to compensate the Supplier for back orders for Products, unless such back order is a result of Distributor or its Affiliates' physical inability to manage inventory volumes or warehousing or any other physical actions of Distributor or its Affiliates within their control that are not related to the Distributor ERP System or any actions of Supplier or any Supplier Affiliates.

8.1.4 The Parties acknowledge that there is inventory of Products in each Territory as of the Commencement Date (such inventory in such Territory, the "Opening Inventory"). The relevant Distributor Affiliate shall retain title to the Opening Inventory until the Product is delivered to the end customer or Subdistributor.

8.1.5 Upon expiration or termination of this Agreement, Supplier or any of its Affiliates in the applicable Territory on an ex-works basis (Incoterms 2020) must repurchase from Distributor or the applicable Distributor Affiliate all unused and undamaged Products in stock for the Product Price paid by Distributor (or any Distributor Affiliate) to Supplier (or any Supplier Affiliate) for such Products, plus any freight, insurance (minus any recoveries on such insurance), non-recoverable duty, or other non-recoverable importation cost incurred by the Distributor in respect of such Products (collectively, the "Final Inventory Repurchase Obligation Amount"), less the full Opening Inventory as of the Commencement Date at the Product Price (the net amount of such payment obligation, the "Final Inventory Repurchase Balance"). For clarity, if the Final Inventory Repurchase Balance is a positive number, then Supplier or Supplier Affiliate shall pay the Final Inventory Repurchase Balance to Distributor or Distributor Affiliate, and if the Final Inventory Repurchase Balance is a negative number, then Distributor or Distributor Affiliate shall pay the Final Inventory Repurchase Balance to Supplier or Supplier Affiliate. Upon mutual written agreement of the Parties, the Parties may elect to set off payment of the Final Inventory Repurchase Balance pursuant to this Section 8.1.5 with payment of the True-Up Amount in connection with the final True-Up under Section 11.1.2(a).

8.2 The Parties acknowledge and agree that there are and will continue during the Term to be, distribution and other contracts in place between Distributor and certain Supplier customers that pre-date the Commencement Date ("Customer Agreements") and that, for expediency and administrative convenience, the Parties have agreed not to amend those contracts to reflect the terms of this Agreement, but rather to address such issues as between themselves in this Agreement. Accordingly, Supplier hereby agrees that the terms set forth in each Customer Agreement shall be the terms under which Supplier provides the applicable Products and services related thereto to each such customer during the Term.

8.3 Following the Commencement Date, for new and amended contracts with Supplier's customers or local distributors (as applicable) with respect to any Products or under which any Services will be provided, Supplier will consult with Distributor and the Parties will work together in good faith to determine what level of service can be provided by Distributor and whether such service will have an effect on the fees under this Agreement, including as described on Schedule 2, and Supplier shall ensure that any such contracts are consistent with the terms and conditions of this Agreement during the Term.

8.4 Supplier will bear sole responsibility for all warranties associated with the Products ("Warranties"), and Supplier will promptly reimburse Distributor for any costs incurred by or on behalf of Distributor or its Representatives in connection therewith. Without limiting the foregoing, Supplier will maintain the terms of the Warranties as they exist as of the Commencement Date for so long as Distributor continues to have obligations under such Warranties, and thereafter Supplier will notify Distributor of any changes to such Warranties not less than thirty (30) days prior to offering the same to customers or Subdistributors (as applicable).

9. ACCESS TO FACILITIES

9.1 Access to Facilities. Prior to one Party allowing any of the other Party's Representatives ("Personnel") to enter onto any premises owned, controlled or operated by such Party, that Party may require such Personnel to enter into confidentiality agreements to protect its Confidential Information and contain provisions that are consistent with the provisions of Section 22 of this Agreement. Each Party shall cause all Personnel to comply with all reasonable instructions and policies of the other Party made available while at any premises owned, controlled or operated by such Party, and each Party shall have the right to remove any Personnel of the other Party from any such premises for failure to comply with this Agreement or any such instructions or policies. Notwithstanding the foregoing, this Section 9.1 shall not limit any access to premises provided under the Transition Services Agreement or any lease between Distributor (or its Affiliates) and Supplier (or its Affiliates), in each case subject to the terms and conditions thereof.

10. FIELD ACTIONS; PRODUCT REGISTRATIONS

10.1 Field Actions. For each Territory Supplier shall have the sole discretion and responsibility to effect and control any recall, withdrawal, or field correction (a "Field Action") with respect to any Product sold on or after the Commencement Date. In connection with a Field Action, Distributor (or such of its Affiliates that holds the product registration with respect to such Product at the time of such Field Action, as applicable) shall reasonably cooperate with responding to Supplier's requests for information or other assistance, and in otherwise effecting such Field Action by Supplier, and, for clarity, Distributor shall have the right to take any actions as may be necessary or appropriate in connection with applicable Laws in the Territories upon good faith advance communication to Supplier and using commercially reasonable methods (including costs and expenses in furtherance of such methods), in each case at the Supplier's cost. For clarity, solely with respect to such actions in the applicable Territory in connection with a Field Action that Supplier, the Supplier Affiliates and their respective agents (other than Distributor or Distributor Affiliates) are prohibited from taking and Distributor or a Distributor Affiliate is required to take pursuant to applicable Laws, the Parties shall cooperate with respect thereto, and Supplier shall reasonably assist Distributor or the Distributor Affiliate to take such actions, and any costs and expenses associated with such discussed and agreed upon actions shall be borne by Supplier. Supplier shall consult with Distributor before issuing any press release or otherwise making any public statement regarding any Field Action that references or implicates Distributor or any of its Affiliates. Supplier shall be responsible for communicating with any Governmental Authorities in connection with a Field Action, and

Distributor (or such of its Affiliates that holds the product registration with respect to such Product at the time of such Field Action, as applicable) shall reasonably cooperate with Supplier to facilitate such communications (including by communicating directly with the applicable Governmental Authority to the extent so required). Supplier shall bear the costs and expenses to the extent incurred by it and by Distributor or any of its Affiliates in connection with any such Field Action.

10.2 Regulatory Compliance. Both Parties agree to comply with all applicable Laws in connection with the ordering, purchase, supply, distribution and sale of the Products, including all import/export Laws, and restrictions and regulations of the United States Department of State, United States Department of Commerce or other Governmental Authority and any applicable Law relating to foreign exchange transactions.

10.3 Quality Agreement. To the extent required by applicable Law or if otherwise agreed, the Parties shall negotiate and enter into a separate quality agreements.

10.4 Product Registrations. Notwithstanding anything to the contrary herein, and, for clarity, without limiting the Transition Services Agreement, any obligations of Distributor with respect to obtaining, maintaining, renewing or modifying any product registration shall be set out in the Transition Services Agreement, except as expressly set forth in the next sentence. For clarity, except as set forth in the LSA or Transition Services Agreement, solely with respect to any product registration for the Products in the Territories hereunder which cannot be transferred from Distributor or a Distributor Affiliate to Supplier or a Supplier Affiliate and which Supplier or a Supplier Affiliate is not permitted under applicable Law to obtain, maintain or renew in its own name, Supplier shall perform all actions required to prepare such filings as are necessary to obtain, maintain or renew such product registration (as defined in the Transition Services Agreement) and Distributor shall make such filings in Distributor's or a Distributor Affiliate's name, in each case at Supplier's sole cost and expense.

10.5 New Branding. Any support for the set up of master data for new branding of Supplier or its Affiliates in the Distributor ERP System with respect to any Products shall be agreed between the Parties in writing, and any such newly branded Products shall not constitute or be deemed to be "Products" hereunder unless and until Distributor has approved the same in writing. For the avoidance of doubt, any new branding shall not apply to invoice forms and business stationery of Distributor.

10.6 Distributor shall continue to maintain a recovery plan to ensure the continuity of Services in case of natural disasters, serious weather conditions, power failures, fires, national emergencies, or any other catastrophic event that is consistent with the recovery plan that the Distributor has in place with respect to the SpinCo Business in the twelve (12) months prior to the Commencement Date.

11. PRODUCT PRICE, REIMBURSABLE COSTS AND PAYMENT TERMS

11.1 Product Price.

11.1.1 Product Price. Distributor shall pay to Supplier the applicable price for each of the Products with respect to the applicable Territory that Distributor purchases from Supplier hereunder in accordance with the relevant provisions of the LSA (such price, with respect to such Product and Territory, the "Product Price").

11.1.2 Monthly Price Reviews and True-Up.

(a) The Parties shall conduct reviews on a monthly basis to reconcile differences between the economic benefit the Parties would otherwise have received in the Territories under the charging model set out in Schedule 1 and the actual economic benefit over the course of the month, including factoring in Product Prices, Reimbursable Costs, the Return, and prices to customers and Subdistributors. There will be a monthly true-up payment to reconcile this difference ("True-Up"), provided that upon mutual written agreement of the Parties, the Parties may elect to conduct True-Ups payments at different intervals. The Party which received an economic benefit in excess of what it would have otherwise received under the charging model under the LSA for the applicable period, shall pay to the other Party an amount equal to such excess amount (the "True-Up Amount"). Without limiting the foregoing, promptly following the expiration or termination of this Agreement with respect to any one or more Territories, the Parties shall conduct the foregoing review and the True-Up Amount shall be paid by the applicable Party with respect to the period since the last True-Up.

(b) In connection with the monthly review and True-Up processes, upon a Party's reasonable request, each Party shall provide reasonable documentation in its possession to support the amount of Reimbursable Costs, Product Prices, Return, prices to customers and Subdistributors and other amounts to the extent reasonably necessary to conduct such processes, and the Parties shall otherwise reasonably cooperate in connection therewith.

11.1.3 To the extent not prohibited by applicable Laws, Supplier may, upon reasonable written request to Distributor in connection with strategic purposes, provide Distributor a Product Price rebate or discount to be passed on to a customer or Subdistributor (as applicable) via a pre-determined discounted sales agreement between such customer or Subdistributor (as applicable) and Distributor. The Product Price rebate or discount provided by Supplier to Distributor will be in an amount appropriate to preserve Distributor's economic benefit consistent with the Product Price. The rebate or discount shall be deducted from the applicable invoices for such Products under Section 11.2. In the event of a rebate or discount, Distributor shall not be required to provide pricing to an end customer or a Subdistributor that is below the cost-of-goods for the Product borne by Supplier or that has a material adverse effect on the Parent Business, given all relevant circumstances.

11.2 Invoicing and Payment Terms.

11.2.1 Supplier shall invoice Distributor directly for the True-Up Amount any time that the True-Up process is undertaken which results in Distributor owing the True-Up Amount to Supplier in accordance with Section 11.1.2(a). Distributor shall invoice Supplier for the True-Up Amount any time that the True-Up process is undertaken which results in Supplier owing the True-Up Amount to Distributor in accordance with Section 11.1.2(a). Distributor shall pay Supplier an amount equal to the True-Up Amount (where applicable), by the twenty-fifth (25th) day of each month for any invoice received prior to that day in the same month. Supplier shall pay Distributor (where applicable), an amount equal to the True-Up Amount (where applicable) by the twenty-fifth (25th) day of each month for any invoice received prior to that day in the same month. If payment is not made by the twenty-fifth (25th) day of the month, the invoicing Party may send notice of non-payment: (i) where the invoiced Party is the Distributor, to the Senior Vice President for Finance, Business Units of Becton, Dickinson And Company; and (ii) where the invoiced Party is the Supplier, to the Treasurer of Embecta Corp. (a "Non-Payment Notice"). Late payments shall bear interest at 8% per annum for all undisputed amounts not paid within ten (10) days from receipt of a Non-Payment Notice therefor (or such lesser rate which is the maximum rate allowed by law) (the "Interest Payment"). Failure to pay undisputed amounts due hereunder within sixty (60) days from receipt of a Non-Payment Notice therefor pursuant to the terms of this Agreement shall be a material breach and Supplier may terminate this Agreement with respect to the applicable Service for which such payment failure applies under Section 20.2 hereof (after the applicable cure period set forth therein).

11.2.2 Except as the Parties may expressly agree in writing, amounts due hereunder shall not be offset by amounts due or claims under any other agreement.

11.3 Supporting Documentation of Reimbursable Costs

11.3.1 Upon Supplier's reasonable request, Distributor shall provide reasonable documentation (including a monthly statement of such costs) in its possession to support the amount of Reimbursable Costs, Set-Up Costs and/or other expenses charged in connection with the Services deducted from the Product Prices paid by Distributor to Supplier hereunder.

11.4 Taxes.

11.4.1 Pricing includes (i) all Taxes, including sales, use, VAT, consumption, excise, withholding or similar taxes (other than Taxes based on Distributor's net income) and all other governmental charges, including duties and other custom charges, that may apply to the transactions contemplated by this Agreement, and (ii) consideration for all necessary licenses and grants covered by this Agreement where no consideration has been expressly determined. Supplier shall be responsible for paying all such Taxes and other governmental charges. Distributor may collect such Taxes and governmental charges from Supplier as required by law.

11.4.2 Deductions or withholding.

11.4.2.1 If any amount of any payment under this Agreement is required to be deducted and withheld with respect to the making of such payment under any provision of applicable Law, the applicable Party (the "Withholding Agent") shall be entitled to deduct and withhold such amount as required by applicable Law, provided that prior to such withholding, the Withholding Agent shall give written notice of its intention to deduct and withhold and allow the other Party sufficient time to furnish any required documentation and forms to minimize or eliminate such withholding. The Withholding Agent shall pay all such withheld amounts to the applicable Governmental Authority. For the avoidance of doubt, the provisions of this Section 11.4 shall apply to Affiliates of Distributor and Supplier as if such Affiliate were Distributor or Supplier, as applicable.

11.4.2.2 Notwithstanding anything in this Agreement to the contrary, if any deductions or withholdings are required to be made by Supplier as aforesaid as a result of Supplier being organized in a jurisdiction that is different from Distributor, Supplier shall be obliged to pay to Distributor such amount as will, after the deduction or withholding has been made, leave Distributor with the same amount as it would have been entitled to receive in the absence of such requirement to make a deduction or withholding, provided that if Distributor subsequently receives a credit for such deduction or withholding for the taxable year in which the deduction or withholding was made, then Distributor shall promptly repay an amount equal to such credit up to the lower of:

(a) the amount previously paid by Supplier; or

(b) the amount which would put Distributor in the same position as if no deductions or withholdings had been required to be made in respect of the relevant payment to Distributor.

11.4.3 Notwithstanding any provision of this Agreement or the Separation and Distribution Agreement to the contrary, Supplier shall indemnify (in applicable local currency) Distributor and its Affiliates against all income Taxes required to be paid by Distributor, its Affiliates or its Representatives arising or resulting from a requirement under applicable local law that Distributor, its Affiliates or its Representatives take into account as its own income (to the extent not fully offset by corresponding deductions) amounts collected on behalf of Supplier in any jurisdiction.

12. GUARDRAILS

12.1 In order to avoid significant cost incurrence or loss by the Distributor or its Affiliates, and for purposes of maintaining adequate service levels and the Pre-Effective Date Distribution Form hereunder, and to retain the pricing terms set forth in Section 11 (which are in part based on space and resource requirements at current volumes), Supplier shall, and shall cause its Affiliates to, at all times during the term, ensure the volumes of all Products maintained in each Facility during each month of the Term, on a Facility-by-Facility basis, are within plus-or-minus twenty percent (+/- 20%) of the average inventory stock of the Products in such Facility over the twelve (12) month period immediately preceding the

Commencement Date (with respect to each such Facility, the "Guardrail"). For the avoidance of doubt, the "Suzhou 3" manufacturing plant will be the sole exception, with no guardrails in place with regards to minimum or maximum volume, in accordance with the agreement in place with respect to the "Suzhou 3" manufacturing plant. Without limiting the foregoing, if the Supplier becomes aware of circumstances (including, for clarity, inventory-level management) that could result in such volumes of Products at any Facility exceeding the applicable Guardrail therefor, Supplier will promptly notify Distributor thereof and the Parties will discuss in good faith potential operational adjustments to be mutually agreed in an effort to accommodate such volumes, provided that (i) the Supplier will bear all fees and costs associated therewith, which shall be deemed to be "Reimbursable Costs" hereunder and paid to Distributor in accordance with Section 11, (ii) such adjustments shall not create volume or space limitations on or otherwise adversely affect Distributor's or its Affiliates' businesses, and (iii) the Guardrail shall continue to apply except as and to the extent specifically agreed otherwise by the Parties in writing; provided further that, without limiting the foregoing clause (i), both Parties will use commercially reasonable efforts to mitigate any cost or loss that they may suffer or incur. For the avoidance of doubt, the Distributor shall not be obligated to place any purchase order for stocks or store or warehouse or hold buffer stocks that would exceed the Guardrail unless mutually agreed upon by both Parties.

12.2 For each Territory, Supplier shall provide to Distributor, on the Commencement Date, a detailed written assessment of volumes of Products and all storage requirements therefor with respect to each Facility, together with a written forecast of such volumes, reflecting Supplier's reasonable and good faith projections, with respect to each month during the initial twelve (12) months following the Commencement Date. Supplier shall update such forecast in writing to Distributor on a quarterly basis, reflecting Supplier's reasonable and good faith projections, with respect to each month during the twelve (12) months following the date of such update. Without limiting the foregoing, Supplier shall reasonably promptly notify Distributor in writing if Supplier plans to shift any material portion of volumes (*i.e.*, twenty percent (20%) or greater) of Product from any Territory to a different Territory or from any Facility to a different Facility.

12.3 For purposes of this Section 12, "Facility" shall mean each warehouse, distribution center or other facility used in connection with any Products hereunder.

12.4 Without limiting the foregoing, (i) to the extent Distributor requires a narrower Guardrail with respect to any Facility operated by Distributor than the plus-or-minus twenty percent (+/- 20%) threshold described above, such narrower Guardrail shall apply to such Facility, and (ii) Supplier shall reasonably cooperate to ensure that all volume, packaging, size and other similar requirements are adhered to and the same pricing tiers applicable immediately prior to the Commencement Date remain applicable at all times during the Term, taking into account the combined volumes of Products and any products of Distributor or its Affiliates that are stored at or pass through the relevant Facility.

13. RELATIONSHIP BETWEEN THE PARTIES

13.1 The Parties to this Agreement are and shall remain independent contractors and neither Party is an employee, agent, partner, franchisee or joint venturer of or with the other.

Each Party will be solely responsible for all actions or omissions of its employees and for any employment-related taxes, insurance premiums or other employment benefits respecting its employees. Neither Party shall hold itself out as an agent of the other and neither Party shall have the authority to bind the other.

14. PERFORMANCE BY REPRESENTATIVES

14.1 Without limiting Section 2, Distributor may engage one or more Affiliates (including Local Sub-Distributors), Third Parties or other Distributor Representatives (each a "Subdistributor") to perform all or any portion of the Distributor's duties under this Agreement, provided that (i) the Distributor remains responsible for the performance of such Distributor Representatives, and (ii) no such engagement, to the extent such Services are to be provided directly by Distributor pursuant to the Services Schedule, shall increase or result in additional charges for the Services, or fees or expenses, to Supplier or any of its Affiliates.

15. INSURANCE

15.1 The Parties may maintain, during the Term of this Agreement, such insurance policies or self-insurance as they deem appropriate, each for their own requirements.

15.2 If and to the extent that Supplier is unable to obtain insurance to cover its risk of loss with respect to the Products, upon reasonable written request of Supplier, Distributor shall attempt in good faith to obtain insurance under Distributor's existing policies to cover such risk of loss at Supplier's sole cost and expense (including any deductible of such insurance with respect to the Products), subject to the terms and conditions of such policies and without limiting Section 16.

16. TITLE AND RISK OF LOSS; RISK OF NON-PAYMENT

16.1 Except as otherwise expressly provided in this Section 16, as between the Parties, Supplier shall bear all risk of loss with respect to the Products and all risk of non-payment by customers with respect to the Products.

16.2 If any Product is damaged, lost or stolen while in a warehouse owned or controlled by Distributor or its Affiliates, as between the Parties, Distributor is responsible under this Agreement for such damage, theft or loss only to the extent the damage, theft or loss results from Distributor's or such Affiliate's gross negligence or willful misconduct. In the event Distributor is so responsible as provided in the immediately preceding sentence, Distributor's sole obligation and liability shall be to compensate Supplier at an amount equal to the replacement cost of such Product to the extent so damaged, stolen or lost. In the event Distributor is not so responsible, Supplier shall deduct the Product Price of the applicable Product from the invoice provided under Section 11.2.1 or, to the extent such invoice has been paid, promptly reimburse Distributor therefor.

16.3 Subject to Section 16.2, risk of loss shall transfer from the Supplier directly to the end customer or Subdistributor when the Products are delivered to such customer or Subdistributor in the local Territory. Title to the Products shall transfer from Supplier (or its Affiliate) to Distributor (or its Affiliate) at the time such Products are purchased by Distributor (or its Affiliate) from Supplier (or its Affiliate) hereunder.

16.4 For the avoidance of doubt and without limiting Sections 16.1 or 16.2, as between the Parties, Supplier's rights against Third Parties shall not be affected by the allocation of risk of loss as between the Parties set forth in the foregoing provisions of this Section 16. Distributor shall reasonably cooperate in good faith with Supplier, at Supplier's cost, to make claims under any applicable third party contract (e.g., carriers) with respect to (a) any damage, theft or other risk of loss with respect to the Products thereunder or (b) any non-performance, breach, default or other failure to provide services, in each case subject to the terms and conditions of such third party contract (including any allowances or other relevant thresholds thereunder).

17. SUPPLIER LIABILITY TO THIRD PARTIES

17.1 Third Party Consents. With respect to any Services which require a license or service provided by a Third Party (including through the sub-contracting of any relationship with any Third Party), to the extent the consent of a Third Party is needed for Distributor to provide any such Services to the Supplier and its Affiliates, then Distributor will use its reasonable best efforts to secure the consent of such Third Party to provide Supplier with access to such Third Party contract, license or service, as applicable, in accordance with the terms and conditions of this Agreement. Any costs with respect to securing any such consents shall be the responsibility of the Supplier to the extent required by such Third Party contract, license, service. To the extent a Third Party requires or requests that Distributor make any payment to the extent not required by the terms of the relevant contract, license, service in order to obtain a consent addressed by this Section 17.1, Distributor and Supplier shall jointly determine in good faith whether or not to negotiate and/or make such payment, and to the extent agreed, such payment shall be reimbursed by Supplier. If Distributor is unable to secure the consent of the applicable Third Party vendor using its reasonable best efforts, or if Supplier does not pay for the applicable consent, then, notwithstanding any provision of this Agreement or the Separation and Distribution Agreement to the contrary, Distributor shall have no obligation to provide the impacted Service, and the Parties shall reasonably cooperate in good faith to effect an alternate method of providing the Service to Supplier to the extent practicable.

18. INDEMNIFICATION

18.1 Supplier hereby agrees to indemnify, defend and hold harmless Distributor, its Affiliates, its Representatives and its and their respective officers, directors, agents, employees and Affiliates, from and against any and all Losses arising out of, relating to or resulting from (i) Supplier's or any of its Representative's gross negligence or willful misconduct relating to this Agreement, (ii) Supplier's or any of its Representative's breach of this Agreement, and (iii) any product liability or other claims by Third Parties with respect to any Products (other than with respect to the misuse of such Product by Distributor or to the extent covered by an indemnification obligation of Distributor or its Affiliates under this Agreement, any Ancillary Agreement or the Separation and Distribution Agreement).

18.2 Distributor hereby agrees to indemnify, defend and hold harmless Supplier and its officers, directors, agents, employees and Affiliates from and against any and all Losses arising out of, relating to or resulting from (i) Distributor's or any of its Representative's gross negligence or willful misconduct relating to this Agreement or (ii) Distributor's or any of its Representative's breach of this Agreement except to the extent arising from a claim for which Supplier has an indemnification obligation pursuant to Section 18.1.

18.3 Notwithstanding anything provided herein, if an indemnitor and indemnitee have, through their negligent acts or willful misconduct or omissions or breaches of this Agreement, jointly contributed to any of the matters to be indemnified hereunder, the indemnitee shall be indemnified hereunder only to the extent that such indemnified matters were not caused by the negligent acts, acts of willful misconduct or omissions of, or breaches of this Agreement by, the indemnitee.

18.4 With respect to Third Party claims asserted against a Party for which the other Party has an indemnification obligation under this Section 18, (a) the indemnified Party shall provide the indemnifying Party with written notice describing such indemnification claim ("Claim") in reasonable detail in light of the circumstances then known and then providing the indemnifying Party with further notices to keep it reasonably informed with respect thereto; provided however, that failure of the indemnified Party to keep the indemnifying Party reasonably informed as provided herein shall not relieve the indemnifying Party of its obligations hereunder except to the extent that the indemnified Party is materially prejudiced thereby; (b) the indemnifying Party shall be entitled to participate in such Claim and assume the defense thereof with counsel reasonably satisfactory to the indemnified Party, at the indemnifying Party's sole expense; and (c) the indemnified Party shall reasonably cooperate with the indemnifying Party, at the indemnifying Party's sole cost and expense, in the defense of any Claim. The indemnifying Party will not accept any settlement unless the settlement includes as an unconditional term thereof the giving by the claimant or the plaintiff of a full and unconditional release of the indemnified Party, from all liability with respect to the matters that are subject to such Claim, without the indemnified Party's prior written consent, which consent shall not be unreasonably withheld or delayed. The indemnified Party may participate in the defense of any claim with counsel reasonably acceptable to the indemnifying Party, at the indemnified Party's own expense.

19. LIMITATION OF LIABILITY; EXCLUSION OF CONSEQUENTIAL DAMAGES.

19.1 EXCEPT FOR CLAIMS ARISING AS A RESULT OF (A) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 22 AND (B) A PARTY'S INDEMNIFICATION OBLIGATIONS WITH RESPECT TO THIRD PARTY LOSSES UNDER SECTION 18: (I) NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, UNDER ANY THEORY OF LIABILITY, ARISING FROM THE PERFORMANCE OF, OR RELATING TO, THIS AGREEMENT REGARDLESS OF WHETHER SUCH PARTY HAS BEEN NOTIFIED OF THE POSSIBILITY OF, OR THE FORESEEABILITY OF, SUCH DAMAGES AND (II) IN NO EVENT SHALL EITHER PARTY'S LIABILITY FOR DAMAGES HEREUNDER EXCEED WITH RESPECT TO ANY SERVICES, THE

AMOUNT OF THE ECONOMIC BENEFIT CALCULATED IN ACCORDANCE WITH SECTION 11.1.2(a) SOLELY TO THE EXTENT RELATED TO THE SERVICES HEREUNDER, EXCEPT IN THE CASE OF SUCH PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. FOR THE AVOIDANCE OF DOUBT, NOTHING IN THIS SECTION 19.1 SHALL LIMIT EITHER PARTY'S LIABILITY FOR PAYMENT OBLIGATIONS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

20. TERMINATION

20.1 Termination by agreement. Supplier and Distributor may agree to terminate this Agreement early with respect to all Territories hereunder at any time subject to prior written agreement (including as to notice (which shall not be less than ninety (90) days), exit costs and revised Product Prices for remaining Territories and Services).

20.2 Termination by Either Party. Either Party may terminate this Agreement if the other Party commits a material breach of this Agreement that materially and adversely impacts the provision of Services in any of the Territories or the other Party or an Affiliate of the other Party or its business, operations or assets and fails to cure such breach within ninety (90) days (thirty (30) days in the event of a payment breach) after receiving written notice of the breach. The Parties hereto hereby acknowledge and agree that any breach by any of their respective Representatives of any term or condition of this Agreement shall be deemed to be a breach by the applicable Party hereto of such term or condition (and any material breach by such Persons that has the effect set forth in the preceding sentence shall be grounds for termination of the affected Service pursuant to the preceding sentence). Any notice sent by Distributor with respect to a material breach and/or intention to terminate this Agreement shall also be sent to both Supplier addressees in Section 25.8.

20.3 Survival of Selected Provisions. Any provision which by its nature should survive, including the provisions of this Section 20.3 (Termination), Section 11 (Product Price, and Payment Terms), Section 16 (Title and Risk of Loss), Section 18 (Indemnification), Section 19 (Limitation of Liability; Exclusion of Consequential Damages), Section 22 (Confidentiality), Section 23 (Force Majeure), and Section 25 (Miscellaneous), shall survive the termination of this Agreement.

20.4 Post-Termination or Expiration Obligations. In connection with the termination or expiration of this Agreement for any reason whatsoever, the applicable Transition Plans shall govern the Parties' activities with respect to transitioning from all Services. Each Party shall use commercially reasonable efforts to return any and all written Confidential Information and any other materials and property in tangible form in the possession or under the control of such Party to the other Party, including any marketing materials, literature and product samples.

21. INTELLECTUAL PROPERTY RIGHTS

21.1 Existing Ownership Rights Unaffected. Neither Party will gain, by virtue of this Agreement, any rights of ownership (or, except as provided in Section 21.3, use) of copyrights, patents, trade secrets, trademarks or any other intellectual property rights owned by the other Party or its Affiliates. Except as set forth in the Ancillary Agreements, no license, title, ownership, or other intellectual property or proprietary rights are transferred to Supplier or any Supplier Representative pursuant to this Agreement, and Distributor retains all such rights, titles, ownership and other interests in the Distributor ERP System and all other software, hardware, systems and resources it uses to provide the Services, including, any special programs, functionalities, interfaces, or other work product that Distributor or its Representatives may develop at Supplier's request to provide the Services. Each Party shall be the sole and exclusive owner of, and nothing in this Agreement shall be deemed to grant the other Party, or any Representative of such Party, any right, title, license (other than as provided in Section 21.3), leasehold right or other interest in or to, any copyrights, patents, trade secrets, other intellectual property rights, ideas, concepts, techniques, inventions, processes, systems, works of authorship, facilities, floor space, resources, special programs, functionalities, interfaces, computer hardware or software, documentation or other work product developed, created, modified, improved, used or relied upon by either Party or its Representatives in connection with the providing or receiving Services or the performance of either Party's obligations hereunder. For the avoidance of doubt, no items created by either Party shall be considered a work made for hire for the other Party within the meaning of Title 17 of the United States Code.

21.2 Removal of Marks. The Parties agree that neither will remove any copyright notices, proprietary markings, trademarks or other indicia of ownership of the other Party from any materials of the other Party.

21.3 Intellectual Property License. Each Party hereby grants to the other, on behalf of itself and its Affiliates and only during the Term, a non-exclusive, worldwide, royalty-free, non-transferable, non-sublicensable, fully paid-up license to use any software, development tools, know-how, methodologies, processes, technologies, algorithms or any other intellectual property owned by such Party solely to the extent it is required for the purpose of providing or receiving such Services.

22. CONFIDENTIALITY

22.1 During the period beginning on the Commencement Date and ending on the date that is six (6) years from the date of expiry or termination of this Agreement, each Party shall retain in strict confidence, and shall cause such Party's Representatives to retain in strict confidence, the terms and conditions of this Agreement and all information and data relating to the other Party or its Affiliates received pursuant to this Agreement, including information regarding its business, employees, development plans, programs, documentation, techniques, trade secrets, systems, software and know-how ("Confidential Information"), and shall not use such Confidential Information other than in connection with the performance of this Agreement and, unless otherwise required by law, an order of court, a subpoena or other legal process (subject to Section 22.2 below), disclose such information to any Third Party without the other Party's prior written consent, except for Confidential Information that:

(a) was in such Party's possession on a non-confidential basis prior to the time of disclosure to such Party by the disclosing Party or its Representatives;

(b) was or becomes generally available to the public other than as a result of a disclosure by such Party or its Representatives;

(c) becomes available to such Party on a non-confidential basis from a source other than the disclosing Party or its Representatives;

(d) was independently developed by such Party without the use of Confidential Information of the other Party; or

(e) a Party is required to disclose to enforce its rights in this Agreement (and such use or disclosure shall be limited to that reasonably necessary for purposes of such enforcement, and subject to a protective order or other confidentiality protection where appropriate),

provided, in the case of clause (a) or (c), that the source of such information is not bound by a confidentiality agreement with the disclosing Party or otherwise prohibited from disclosing the information to the receiving Party by a contractual, legal or fiduciary obligation.

22.2 In the event that the receiving Party or any of its Representatives are requested or required by applicable Law, an order of court, a subpoena or other legal process to disclose any Confidential Information, the receiving Party will provide the disclosing Party with prompt written notice of any such request or requirement so that the disclosing Party may seek an appropriate protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, or that the disclosing Party chooses not to seek such remedy, the receiving Party may disclose only that portion of the Confidential Information which is legally required and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information. The receiving Party agrees not to oppose action taken by the disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

22.3 Each Party hereby acknowledges that the Confidential Information of the other Party may still be under development, or may be incomplete, and that such information may relate to products that are under development or are planned for development. NEITHER PARTY MAKES ANY REPRESENTATIONS REGARDING THE ACCURACY OF THE CONFIDENTIAL INFORMATION IT DISCLOSES TO THE OTHER PARTY. Neither Party shall have responsibility for any expenses, losses or actions incurred or undertaken by the other Party as a result of the other Party's receipt or use of Confidential Information.

22.4 It is understood and agreed that monetary damages may not be a sufficient remedy for any breach of this Section 22, and that the disclosing Party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section 22, but shall be in addition to all other remedies available at law or equity.

22.5 The obligations in this Section 22 shall survive any expiration or termination of this Agreement for six (6) years after the date of expiration or termination of this Agreement; provided, however, that, with respect to each trade secret of a Party or its Affiliates (where it is reasonably apparent that such item is a trade secret), such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret.

23. FORCE MAJEURE

23.1 Each Party will be excused for any failure or delay in performing any of its obligations under this Agreement if such failure or delay is caused by any event or condition beyond the reasonable control of the impacted Party, including act of God, law or government regulations, court orders, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, destruction of facilities, systems or materials by fire, earthquake, storm or like catastrophe (a "Force Majeure Event"); provided, however that the impacted Party notifies the other Party as soon as practicable, in writing, upon learning of the occurrence of the Force Majeure Event, stating the date and extent of such suspension and the cause thereof, and the Parties shall promptly confer, in good faith, on what action may be taken to minimize the impact, on both Parties, of such condition; provided, further, that the impacted Party shall take measures to overcome the condition with respect to the Services which are consistent in all material respects with the measures taken in connection with the Party's other similarly affected operations, as relevant. A Party's obligations hereunder (except their obligations expressly set forth in the foregoing sentence and their payment obligations in respect of Services already provided) shall be postponed until the cessation of the Force Majeure Event; provided that such Party will use commercially reasonable efforts to resume its performance hereunder.

24. AUDIT

24.1 Supplier, on behalf of itself and the Supplier Affiliates, shall be entitled, at Supplier's cost, to appoint an independent auditor reasonably acceptable to Distributor to conduct periodic audits (not more frequently than twice per year) on reasonable advance notice and during normal business hours of the Reimbursable Costs, Set-Up Costs and/or other expenses being charged in connection with the Services provided by Distributor and any other components of the calculation of the True-Up Amount charged to Supplier hereunder, provided such audits shall be conducted in a manner that is intended to minimize, to the extent reasonably possible, disruption to the operations of Distributor and its relevant Affiliates. Any such audits must be completed within six (6) months after completion of a Service. The independent auditor shall enter into a confidentiality agreement with Distributor containing customary confidentiality obligations and shall, promptly following completion of such audit, disclose only the audit report, without any confidential audited materials, to both Parties.

24.2 If a Governmental Authority audit of Supplier or the Supplier Affiliates reasonably requires access to records in Distributor's possession with respect to the Services, Distributor will reasonably cooperate to provide such records to allow the Supplier or such Supplier Affiliates to comply with applicable Law.

24.3 Supplier, on behalf of itself and the Supplier Affiliates, shall be entitled, at Supplier's cost, during normal business hours and on reasonable notice to the Distributor (and/or the relevant Distributor Affiliate), to access the premises of the Distributor (and/or the relevant Distributor Affiliate) or the premises of a Third Party (provided that the Distributor or relevant Distributor Affiliate has the right to access such premises) where reasonably required to ensure that the Services are being provided to the standards required under this Agreement.

25. MISCELLANEOUS.

25.1 Mutual Cooperation. Each Party shall, and shall cause its Affiliates to, cooperate with the other Party and its Affiliates in connection with the performance of the Services hereunder; provided, however, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Affiliates; and, provided, further, that this Section 25.1 shall not require such Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties.

25.2 Further Assurances. Subject to the terms of this Agreement, each Party shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

25.3 Audit Assistance. Each of the Parties and their respective Affiliates are or may be subject to regulation and audit by a Governmental Authority (including a Taxing Authority, as such term is defined in the Transition Services Agreement), standards organizations, customers or other parties to contracts with such Parties or their respective Affiliates under applicable Law, standards or contract provisions. If a Governmental Authority, standards organization, customer or other party to a contract with a Party or its Affiliate exercises its right to examine or audit such Party's or its Affiliate's books, records, documents or accounting practices and procedures pursuant to such applicable Law, standards or contract provisions, and such examination or audit relates to the Services, then the other Party shall provide, at the sole cost and expense of the requesting Party, all assistance reasonably requested by the Party that is subject to the examination or audit in responding to such examination or audits or requests for Information (as such term is defined in the Transition Services Agreement), to the extent that such assistance or Information is within the reasonable control of the cooperating Party and is related to the Services.

25.4 Counterparts; Entire Agreement; Corporate Power.

25.4.1 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

25.4.2 This Agreement, the Separation and Distribution Agreement and the other Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement, the Separation and Distribution Agreement, and the other Ancillary Agreements govern the arrangements in connection with the Separation and Distribution and would not have been entered into independently.

25.4.3 Each Party acknowledges and agrees that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by e-mail in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier or by e-mail in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

25.5 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including all matters of validity, construction, effect, enforceability, performance and remedies.

25.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, Distributor may assign this Agreement or all of its rights or obligations hereunder to any Affiliate without Supplier's prior written consent (but with notice to the Supplier) solely to the extent such Affiliate can continue to deliver the Services hereunder without interruption.

25.7 Third-Party Beneficiaries. Except as expressly stated otherwise in this Agreement, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any other Person except the Parties any rights or remedies hereunder; and (b) there are no other third-party beneficiaries of this Agreement and this Agreement shall not provide any other Third Party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

25.8 Notices. All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be given or made (and except as provided herein shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by certified mail, return receipt requested, by electronic mail ("e-mail"), so long as confirmation of receipt of such e-mail is requested and received, to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 25.8):

If to Distibutor, to:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Joseph LaSala
Chief Counsel - Transactions/M&A
E-mail: joseph_lasala@bd.com

If to Supplier, to:

Embecta Corp.
1 Becton Drive
Franklin Lakes, New Jersey 07417
Attention: Jeff Mann
Senior Vice President, General Counsel,
Head of Corporate Development and Corporate Secretary
E-mail: jeff.mann@bd.com; jeff.mann@embecta.com

Any Party may, by notice to the other Party, change the address to which such notices are to be given or made.

25.9 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

25.10 Headings. The Article, Section and Paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

25.11 Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

25.12 Specific Performance. Subject to Section 7, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its rights or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are hereby waived by each of the Parties. Unless otherwise agreed in writing, Distributor shall continue to provide Services and the Parties shall honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of Section 7 and this Section 25.12 with respect to all matters not subject to such Dispute; provided, however, that this obligation shall only exist during the term of this Agreement.

25.13 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom enforcement of such waiver, amendment, supplement or modification is sought.

25.14 Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

25.15 Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Annexes and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Exhibit, Annex and Schedule references are to the Articles, Sections, Exhibits, Annexes and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) the word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by Law to close in the United States or Franklin Lakes, New Jersey; (j) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (k) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to [•], 2022.

25.16 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable to this Agreement.

26. SCHEDULES

26.1 The following Schedules, as amended or supplemented from time to time, are attached hereto and made part of this Agreement.

Schedule Number	Name
1	Distributor and Supplier Entities by Territory
2	Services Schedule
3	Excluded Services
4	Certain Supplier Responsibilities

[Signatures Follow On a Separate Page]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by their respective officers thereunto duly authorized all as of the date first written above.

“Supplier”

By: _____
Name: _____
Title: _____

“Distributor”

By: _____
Name: _____
Title:_____

Exhibit 21.1

EMBECTA CORP.

LIST OF SUBSIDIARIES

Name	Jurisdiction of Incorporation
3332808 Nova Scotia Company	Canada (Nova Scotia)
Becton Dickinson Penel Limited	Cayman Islands
Becton Dickinson Penel Limited Irish Branch	Ireland
Berra Holdings I LLC	USA (Delaware)
Berra Holdings II LLC	USA (Delaware)
Berra Medical Devices (Shanghai) Co., Ltd.	China (Shanghai)
Berra Operations LLC	USA (Delaware)
Indonesia Representative Office of MWB Shelfco 65 Pte. Ltd.	Indonesia
MWB 254 LTD.	Kenya
MWB 27 Proprietary Limited	South Africa
MWB 32 BV	Belgium
MWB 351, Unipessoal Lda	Portugal
MWB 352 S.à r.l.	Luxembourg
MWB 385 d.o.o.	Croatia
MWB 39 S.r.l.	Italy
MWB 41 Sàrl	Switzerland (Vaud)
MWB 43 GmbH	Austria
MWB 45 ApS	Denmark
MWB 46 AB	Sweden
MWB 47 AS	Norway
MWB 51 S.R.L.	Peru
MWB 52, S. de R.L. de C.V.	Mexico
MWB 54 S.R.L.	Argentina
MWB 55 Representação Comercial de Materiais de Saúde Ltda.	Brazil
MWB 57 S.A.S.	Colombia
MWB 598 SRL	Uruguay
MWB 63 Inc.	Philippines
MWB 64 Limited	New Zealand
MWB 66 (Thailand) Ltd.	Thailand
MWB 82 Ltd.	Korea

Name	Jurisdiction of Incorporation
MWB 852 Limited	Hong Kong
MWB 972 Ltd.	Israel
MWB Medical 34 S.L.U.	Spain
MWB Medical 352 S.à r.l.	Luxembourg
MWB Medical 358 Oy	Finland
MWB Medical 56 SpA	Chile
MWB Medical 7 Limited Liability Company	Russia
MWB Medical 84 Co., Ltd. (CÔNG TY TNHH MWB MEDICAL 84 in Vietnamese)	Vietnam
MWB Medical 90 Medikal Ürün ve Cihazlar İthalat İhracat Satış Pazarlama ve Dağıtım Limited Şirketi	Turkey
MWB Medical 91 Private Limited	India
MWB Services 60 Sdn. Bhd.	Malaysia
MWB Shelfco 201 LLC	USA (Delaware)
MWB Shelfco 308 LLC	USA (Delaware)
MWB Shelfco 31 B.V.	Netherlands (Amsterdam)
MWB Shelfco 31 B.V. - Belgian Branch	Belgium
MWB Shelfco 31 B.V. (Dubai Branch)	UAE
MWB Shelfco 33	France (Paris)
MWB Shelfco 41 Sàrl	Switzerland (Vaud)
MWB Shelfco 44 Irish Branch	Ireland
MWB Shelfco 44 Limited	United Kingdom
MWB Shelfco 49 GmbH	Germany (Heidelberg)
MWB Shelfco 61 Pty Ltd	Australia (Victoria)
MWB Shelfco 65 Pte. Ltd.	Singapore
MWB Shelfco 81 G.K.	Japan (Tokyo)
MWB Shelfco B.V. Saudi Limited Co.	Saudi Arabia
MWB 48 sp. z o.o.	Poland
新加坡商安偉博股份有限公司台灣分公司 (MWB Shelfco 65 Pte. Ltd. Taiwan Branch)	Taiwan

Exhibit 99.1

, 2022

Dear Becton, Dickinson and Company ("BD") Shareholder:

In May 2021, BD announced its plan to separate its diabetes care business into an independent public company. The separation will occur through a distribution by BD of all of the outstanding shares of a newly formed company, Embecta Corp. ("Embecta"), which will hold BD's diabetes care business.

The separation will better position the diabetes care business and BD's remaining businesses for long-term growth and success. The diabetes care business and BD's remaining businesses have distinct business profiles, and the separation will allow Embecta and BD to better allocate resources and deploy capital in line with the distinct growth and cash flow profiles of these businesses. BD's decision to pursue the separation demonstrates its strong ongoing commitment to the BD 2025 strategy, which includes its three strategic pillars of Grow, Simplify and Empower. We expect the separation will allow BD to strengthen its growth profile, enables a greater investment focus on its other core businesses and high-growth opportunities, and make a greater impact for its customers and patients.

Upon completion of the separation, each BD shareholder as of March 22, 2022, the record date for the distribution, will receive one share of Embecta common stock for every five shares of BD common stock held as of the close of business on the record date. Embecta common stock will be issued in book-entry form only, which means that no physical share certificates will be issued. For U.S. federal income tax purposes, the distribution is intended to be tax-free to BD shareholders (other than any cash that BD shareholders receive in lieu of fractional shares).

No vote of BD shareholders is required for the distribution. You do not need to take any action to receive shares of Embecta common stock to which you are entitled as a BD shareholder, and you do not need to pay any consideration or surrender or exchange your BD common stock or take any other action to receive your shares of Embecta common stock.

Embecta's common stock has been approved for listing subject to official notice of issuance on the Nasdaq Global Select Market under the symbol "EMBC." Following the distribution, BD common stock will continue to trade on the New York Stock Exchange under the symbol "BDX."

We encourage you to read the attached information statement, which is being made available to BD shareholders as of the record date for the distribution. The information statement describes the distribution in detail and contains important business and financial information about Embecta.

We believe the separation provides tremendous opportunities for our businesses, as we work to continue to build long-term value. We appreciate your continuing support of BD and look forward to your future support of BD and Embecta.

Sincerely,

Tom Polen
Chairman, Chief Executive Officer and President
Becton, Dickinson and Company

, 2022

Dear Future Shareholder of Embecta Corp. (“Embecta”):

I am excited to welcome you as a future shareholder of Embecta. Embecta will hold BD’s diabetes care business, which includes the manufacturing and sale of syringes, pen needles and other products related to the injection or infusion of insulin and other drugs used in the treatment and management of diabetes.

As a pure-play diabetes care company, we believe we will be attractively positioned to:

- continue our proven success and global reach as one of the most well-known franchises in pen needles, insulin syringes and insulin injection safety products among people with diabetes and healthcare professionals around the world;
- use our manufacturing proficiency, distribution network and global commercial team to provide reliable and consistent supply of our products to our end-user customers, including in high-growth regions;
- invest in next-generation products to be used in the treatment and management of diabetes;
- pursue strategic innovation and acquisition opportunities that will enable us to accelerate our growth; and
- attract and retain key talent and create a strong culture focused on best serving the needs of people with diabetes globally.

Although Embecta will be a new, publicly traded company, its diabetes care business has an over 95-year history, starting when BD introduced the world’s first specialized insulin syringe in 1924. Since then, the diabetes care business has played a significant role in driving the adoption of insulin syringes and insulin pens combined with pen needles as the leading modality for insulin administration. Today, the diabetes care business is the leading producer of diabetes injection devices, producing approximately 7.6 billion units of injection devices annually and serving an estimated 30 million patients worldwide—more than any other company in the world.

Our vision for the future is clear. We intend to build innovative solutions and focus on improving care for people with diabetes. We plan to generate strong cash flow and maintain a capital structure that would allow for organic and inorganic growth opportunities, providing the best outcomes for our shareholders. We will strive to attract and retain superior talent to ensure operational excellence and accelerate growth. We look forward to our future as an independent, publicly traded company and to your support as a holder of Embecta common stock.

Sincerely,

Devdatt (Dev) Kurdikar
President and Chief Executive Officer
Embecta Corp.

Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended.

Preliminary and Subject to Completion, Dated February 2, 2022

INFORMATION STATEMENT

Embecta Corp.

This information statement is being furnished in connection with the distribution by Becton, Dickinson and Company ("BD") to its shareholders of all of the outstanding shares of common stock of Embecta Corp. ("Embecta"), a wholly owned subsidiary of BD that will hold BD's diabetes care business. To implement the separation, BD will contribute to Embecta certain of the assets and liabilities associated with BD's diabetes care business and then distribute all of the shares of Embecta common stock on a pro rata basis to BD shareholders in a distribution that is intended to qualify as tax-free to the BD shareholders for U.S. federal income tax purposes (other than any cash that BD shareholders receive in lieu of fractional shares). Following the distribution, Embecta will be an independent public company.

For every five shares of common stock of BD held of record by you as of the close of business on March 22, 2022, which is the record date for the distribution, you will receive one share of Embecta common stock. You will receive cash in lieu of any fractional shares of Embecta common stock that you would have received after application of the above ratio. As discussed under "The Separation and Distribution—Trading Between the Record Date and Distribution Date," if you sell your shares of BD common stock in the "regular-way" market after the record date and before the distribution date, you also will be selling your right to receive shares of Embecta common stock in connection with the distribution. We expect the shares of Embecta common stock to be distributed by BD to you at 12:01 a.m., Eastern Time, on April 1, 2022. We refer to the date of the distribution of the Embecta common stock as the "distribution date."

Until the separation and distribution occur, Embecta will be a wholly owned subsidiary of BD, and consequently, BD will have the sole and absolute discretion to determine and change the terms of the separation (or to terminate the separation).

No vote of BD shareholders is required for the distribution. Therefore, you are not being asked for a proxy, and you are requested not to send BD a proxy, in connection with the distribution. You do not need to pay any consideration, exchange or surrender your existing shares of BD common stock or take any other action to receive your shares of Embecta common stock.

There is no current trading market for Embecta common stock, although we expect that a limited market, commonly known as a "when-issued" trading market, will develop on or shortly before the record date for the distribution, and we expect "regular-way" trading of Embecta common stock to begin on the first trading day following the completion of the distribution. Embecta's common stock has been approved for listing subject to official notice of issuance on the Nasdaq Global Select Market ("Nasdaq") under the symbol "EMBC." Following the distribution, BD common stock will continue to trade on the New York Stock Exchange ("NYSE") under the symbol "BDX."

In reviewing this information statement, you should carefully consider the matters described under the section entitled "Risk Factors."

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2022.

This information statement will be made publicly available on or about , 2022. Notice of this information statement's availability will be first sent to BD shareholders on or about , 2022.

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Presentation of Information

Unless the context otherwise requires:

- The information included in this information statement about Embecta, including the Combined Financial Statements of the Diabetes Care Business (as defined in the historical combined financial statements included in this information statement), assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution.
- References in this information statement to "Embecta," "we," "us," "our," "our company" and "the company" refer to Embecta Corp., a Delaware corporation, and its subsidiaries.
- References in this information statement to "BD" refer to Becton, Dickinson and Company, a New Jersey corporation, and its consolidated subsidiaries, including the diabetes care business prior to completion of the separation, unless the context otherwise requires or unless otherwise specified.
- References in this information statement to the "diabetes care business" refer to the diabetes care business of BD that will be contributed to Embecta in connection with the separation.
- References in this information statement to the "BD Business" refer to BD's businesses other than the diabetes care business, which includes the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.
- References in this information statement to the "separation" refer to the separation of the diabetes care business from BD's other businesses and the creation, as a result of the distribution, of an independent, publicly traded company, Embecta, to hold the assets and liabilities associated with the diabetes care business after the distribution.

- References in this information statement to the "distribution" refer to the distribution by BD of all of Embecta's issued and outstanding shares of common stock to BD shareholders as of the close of business on March 22, 2022, which is the record date for the distribution.
- References in this information statement to Embecta's per share data assume a distribution ratio of one share of Embecta common stock for every five shares of BD common stock.
- References in this information statement to Embecta's historical assets, liabilities, products, businesses or activities generally refer to the historical assets, liabilities, products, businesses or activities of the diabetes care business as conducted by BD prior to the completion of the separation.

Industry Information

Unless indicated otherwise, the information concerning the industries in which Embecta participates contained in this information statement is based on Embecta's general knowledge of and expectations concerning the industry. Embecta's competitive position and industry size are based on estimates using Embecta's internal data and estimates, data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. In addition, Embecta believes that data regarding industry size and its competitive position within such industry provide general guidance but are inherently imprecise. Further, Embecta's estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the "Risk Factors" section. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What is Embecta and why is BD separating the diabetes care business and distributing Embecta common stock?	Embecta, which is currently a wholly owned subsidiary of BD, was formed to hold the diabetes care business. BD intends to separate its diabetes care business from the rest of BD by distributing all of the outstanding Embecta common stock to BD shareholders as of the record date for the distribution. The separation of the diabetes care business from BD is intended, among other things, to enable the management of the two companies to pursue opportunities for long-term growth and profitability unique to each company's businesses and to allow each company to more effectively implement the distinct capital allocation strategies of these businesses. BD expects that the separation will result in enhanced long-term performance of the businesses held by both BD and Embecta for the reasons discussed in the section entitled "The Separation and Distribution—Reasons for the Separation."
Why am I receiving this document?	BD is delivering this document to you because you are a holder of shares of BD common stock. If you are a holder of shares of BD common stock as of the close of business on March 22, 2022, the record date of the distribution, you will be entitled to receive one share of Embecta common stock for every five shares of BD common stock that you hold at the close of business on such date. This document will help you understand how the separation and distribution will affect your post-separation ownership in BD and Embecta.
How will the separation of the diabetes care business from BD work?	As part of the separation, BD and its subsidiaries expect to conduct an internal reorganization (which this information statement refers to as the "internal reorganization") in order to transfer BD's diabetes care business to Embecta. BD will then distribute all of the outstanding shares of Embecta common stock to BD shareholders as of the record date on a pro rata basis. The distribution is intended to be tax-free to BD and BD shareholders for U.S. federal income tax purposes (other than any cash that BD shareholders receive in lieu of fractional shares). Following the separation, the number of shares of BD common stock you own will not change as a result of the separation.
Why is the separation of Embecta structured as a distribution?	BD believes that a distribution of shares of Embecta common stock to BD shareholders that is tax-free for U.S. federal income tax purposes is an efficient way to separate the diabetes care business in a manner that will create long-term value for BD shareholders.
What is the record date for the distribution?	The record date for the distribution will be the close of business on March 22, 2022.
When will the distribution occur?	The distribution is subject to a number of conditions, but subject to the satisfaction or waiver of such conditions, it is expected that the distribution will occur at 12:01 a.m., Eastern Time, on April 1, 2022, to holders of record of shares of BD common stock at the close of business on March 22, 2022, the record date for the distribution.

What do shareholders need to do to participate in the distribution?	Shareholders of BD as of the record date for the distribution are not required to take any action to receive Embecta common stock in the distribution, but you are urged to read this entire information statement carefully. No BD shareholder approval is required for the distribution, and you are not being asked for a proxy. You do not need to pay any consideration, exchange or surrender your existing shares of BD common stock or take any other action to receive your shares of Embecta common stock. Please do not send in your BD stock certificates. The distribution will not affect the number of outstanding shares of BD common stock or any rights of BD shareholders, although it will affect the market value of each outstanding share of BD common stock.
How will shares of Embecta common stock be issued?	You will receive shares of Embecta common stock through the same channels that you currently use to hold or trade shares of BD common stock, whether through a brokerage account, 401(k) plan or other channels. Receipt of Embecta shares will be documented for you in the same manner that you typically receive shareholder updates, such as monthly broker statements and 401(k) statements. If you own shares of BD common stock as of the close of business on the record date for the distribution, including shares owned in certificate form, BD, with the assistance of Computershare Trust Company, N.A., the distribution agent for the distribution (the “distribution agent” or “Computershare”), will electronically distribute shares of Embecta common stock to you or to your brokerage firm on your behalf in book-entry form. Computershare will mail you a book-entry account statement that reflects your shares of Embecta common stock, or your bank or brokerage firm will credit your account for the shares.
How many shares of Embecta common stock will I receive in the distribution?	You are entitled to receive one share of Embecta common stock for every five shares of BD common stock held by you as of close of business on the record date for the distribution. Based on 284,023,582 shares of BD common stock outstanding as of October 31, 2021, a total of approximately 56,804,716 shares of Embecta common stock will be distributed to BD’s shareholders. For additional information on the distribution, see “The Separation and Distribution.”
Will Embecta issue fractional shares of its common stock in the distribution?	No. Embecta will not issue fractional shares of its common stock in the distribution. Fractional shares that BD shareholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The net cash proceeds of these sales will be distributed pro rata (based on the fractional share such holder would otherwise be entitled to receive) to those shareholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts paid in lieu of fractional shares. A U.S. holder that receives cash in lieu of a fractional share of Embecta common stock in the distribution will generally be treated as having received such fractional share pursuant to the distribution and then as having sold such fractional share for cash. See “Material U.S. Federal Income Tax Consequences—Distribution”.

What are the conditions to the distribution?

The distribution is subject to the satisfaction (or waiver by BD in its sole and absolute discretion) of the following conditions:

- the U.S. Securities and Exchange Commission (the "SEC") shall have declared effective the registration statement of which this information statement forms a part; there shall be no order suspending the effectiveness of the registration statement in effect; and there shall be no proceedings for such purposes having been instituted or threatened by the SEC;
- this information statement shall have been made available to the holders of record of shares of BD common stock at the close of business on March 22, 2022, the record date for the distribution;
- BD shall have received (i) a private letter ruling from the Internal Revenue Service (the "IRS"), satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of its outside tax counsel satisfactory to the BD Board of Directors regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the "Code") and such opinion shall not have been withdrawn or rescinded;
- the transfer of assets and liabilities (other than certain delayed assets and liabilities) contemplated to be transferred from BD to Embecta on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement and the transfer of assets and liabilities (other than certain delayed assets and liabilities) contemplated to be transferred from Embecta to BD on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement;
- the BD Board of Directors shall have received one or more opinions from an independent appraisal firm acceptable to BD as to the solvency and financial viability of BD and Embecta after the completion of the distribution, in each case, in a form and substance acceptable to the BD Board of Directors in its sole and absolute discretion and such opinions shall not have been withdrawn or rescinded;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities or blue sky laws and the rules and regulations thereunder shall have been taken or made and, where applicable, shall have become effective or been accepted by the applicable government authority;
- certain agreements contemplated by the separation and distribution agreement shall have been executed;
- there shall be no order, injunction or decree issued by any government authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the

separation, the distribution or any of the related transactions pending or in effect;

- the shares of Embecta common stock to be distributed shall have been accepted for listing on Nasdaq, subject to official notice of distribution;
- Embecta shall have completed the debt financing arrangements described under "Description of Material Indebtedness," and BD shall be satisfied in its sole and absolute discretion that, as of the effective time of the distribution, BD will have no further liability under such debt financing arrangements;
- Embecta shall have completed Embecta-to-BD Distribution Transaction described under "Description of Material Indebtedness—Embecta-to-BD Distribution Transaction"; and
- there shall be no other events or developments existing or having occurred that, in the judgment of BD's Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions.

BD and Embecta cannot assure you that any or all of these conditions will be met, or that the separation or distribution will be consummated even if all of the conditions are met. BD can decline at any time to go forward with the separation or distribution. In addition, BD may waive any of the conditions to the distribution. For a complete discussion of all of the conditions to the distribution, see "The Separation and Distribution—Conditions to the Distribution."

What is the expected date of completion of the distribution?

The completion and timing of the distribution are dependent upon a number of conditions. It is currently expected that the shares of Embecta common stock will be distributed by BD at 12:01 a.m., Eastern Time, on April 1, 2022, to the holders of record of shares of BD common stock at the close of business on March 22, 2022, the record date for the distribution. However, no assurance can be provided as to the timing of the distribution or that all conditions to the distribution will be met.

Can BD decide to cancel the distribution of Embecta common stock even if all the conditions have been met?

Yes. Until the distribution has occurred, the BD Board of Directors has the right to terminate the distribution, even if all of the conditions described in the section entitled "The Separation and Distribution—Conditions to the Distribution" are satisfied.

What if I want to sell my BD common stock or my Embecta common stock?

You should consult with your financial advisors, such as your stock broker, bank or tax advisor. If you sell your shares of BD common stock in the "regular-way" market after the record date and before the distribution date, you also will be selling your right to receive shares of Embecta common stock in connection with the distribution.

What is "regular-way" and "ex-distribution" trading of BD common stock?

Beginning on or shortly before the record date for the distribution and continuing up to and through the distribution date, Embecta expects that there will be two markets in BD common stock: a "regular-way" market and an "ex-distribution" market. BD common stock that trades in the "regular-way" market will trade with an entitlement to shares of

	Embecta common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to Embecta common stock distributed pursuant to the distribution. If you are the registered holder of your shares and want to sell your shares, you should determine whether you want to sell your shares with or without an entitlement to shares of Embecta common stock in the distribution, and make any trades in the "regular way" or "ex-distribution" market accordingly. If you decide to sell any shares of BD common stock before the distribution date and hold your shares in "street name," you should make sure your stockbroker, bank or other nominee understands whether you want to sell your BD common stock with or without your entitlement to Embecta common stock pursuant to the distribution.
Where will I be able to trade shares of Embecta common stock?	Embecta's common stock has been approved for listing subject to official notice of issuance on Nasdaq under the symbol "EMBC." It is anticipated that trading in shares of Embecta common stock will begin on a "when-issued" basis on or shortly before the record date for the distribution and will continue up to and through the distribution date, and that "regular-way" trading in Embecta common stock will begin on the first trading day following the completion of the distribution. If trading begins on a "when-issued" basis, you may purchase or sell Embecta common stock up to and through the distribution date, but your transaction will not settle until after the distribution date. Embecta cannot predict the trading prices for its common stock before, on or after the distribution date.
What will happen to the listing of BD common stock?	BD common stock will continue to trade on the NYSE after the distribution under the symbol "BDX."
Will the number of shares of BD common stock that I own change as a result of the distribution?	No. The number of shares of BD common stock that you own will not change as a result of the distribution.
Will the distribution affect the market price of my BD common stock?	Yes. As a result of the distribution, it is expected that the trading price of shares of BD common stock immediately following the distribution will be different from the "regular-way" trading price of such shares immediately prior to the distribution because the trading price of BD common stock will no longer reflect the value of the diabetes care business. There can be no assurance whether the sum of the market value of the BD common stock and the Embecta common stock following the separation will be higher or lower than the market value of BD common stock if the separation did not occur. This means, for example, that the combined trading prices of five shares of BD common stock and one share of Embecta common stock after the distribution may be equal to, greater than or less than the trading price of five shares of BD common stock before the distribution.

What are the material U.S. federal income tax consequences of the separation and the distribution?	It is a condition to the distribution that BD receive (i) a private letter ruling from the IRS, satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of BD's outside tax counsel, satisfactory to the BD Board of Directors, regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code and such opinion has not been withdrawn or rescinded. Assuming that the distribution, together with certain related transactions, so qualifies, you will not recognize gain or loss or otherwise include any amount in income for U.S. federal income tax purposes upon your receipt of Embecta common stock in the distribution. You will, however, recognize gain or loss for U.S. federal income tax purposes with respect to cash received in lieu of a fractional share of Embecta common stock. For more information regarding the U.S. federal income tax consequences of the distribution, see the section entitled "Material U.S. Federal Income Tax Consequences." You should consult your own tax advisor as to the particular tax consequences of the distribution to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as any non-U.S. tax laws.
What will Embecta's relationship be with BD following the separation?	After the distribution, BD and Embecta will be separate companies with separate management teams and separate boards of directors. BD and Embecta will enter into a separation and distribution agreement to effect the separation and to provide a framework for Embecta's relationship with BD after the separation, and they will enter into certain other agreements, including a transition services agreement, a tax matters agreement, an employee matters agreement, a cannula supply agreement, contract manufacturing agreements, an intellectual property matters agreement, a logistics services agreement, distribution agreements and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the allocation between Embecta and BD of the assets, employees, liabilities and obligations (including, among others, investments, property (including intellectual property) and employee benefits and tax-related assets and liabilities) of BD and its subsidiaries attributable to periods prior to, at and after the separation and will govern the relationship between Embecta and BD subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled "Risk Factors—Risks Related to the Separation and Distribution" and "Certain Relationships and Related Party Transactions."
Who will manage Embecta after the separation?	Embecta's management team will be led by Devdatt (Dev) Kurdikar, who will be Embecta's President and Chief Executive Officer. For more information regarding Embecta's management and directors, see "Management" and "Directors."
Are there risks associated with owning Embecta common stock?	Yes. Ownership of Embecta common stock is subject to both general and specific risks relating to its business, the industry in which it operates, its

ongoing contractual relationships with BD and its status as a separate, publicly traded company. Ownership of Embecta common stock is also subject to risks relating to the separation. Certain of these risks are described in the "Risk Factors" section of this information statement. We encourage you to read that section carefully.

Does Embecta plan to pay dividends and does BD plan to change its dividend policy following the spin-off?

Prior to the completion of the separation and distribution, Embecta's Board of Directors will adopt a policy with respect to the payment of dividends on Embecta common stock following the separation and distribution. Embecta currently expects that it will initially pay a regular cash dividend following the separation and distribution. Embecta expects that its targeted dividend payout will be approximately 20% as a percentage of post-separation net income. However, the timing, declaration, amount of, and payment of any dividends following the separation and the distribution will be within the discretion of Embecta's Board of Directors and will depend upon many factors, and there can be no assurances that Embecta will continue to pay a dividend in the future. See "Dividend Policy."

BD previously announced that it does not expect the spin-off to affect its current dividend policy. There can also be no assurance that, after the separation and distribution, the combined annual dividends on the common stock of Embecta and BD, if any, will be equal to the annual dividends on BD common stock prior to the separation and distribution.

Will Embecta incur any indebtedness prior to or at the time of the distribution?

Yes. Embecta expects to complete one or more financing transactions on or prior to the completion of the distribution, including the issuance of $500 million in senior secured 5.000% notes, the incurrence of $1,150 million of term loans and the entry into a $500 million revolving credit facility (which Embecta anticipates will be undrawn as of the completion of the distribution). Prior to the completion of the distribution, it is expected that Embecta will pay a dividend to BD equal to all Embecta's cash and cash equivalents in excess of $160 million.

However, prior to the completion of the distribution, BD may cause Embecta to issue to BD debt instruments of Embecta on terms and conditions determined by BD (any such debt instruments, the "Exchange Debt"). BD would use any such Exchange Debt to retire some of BD's existing debt in a debt-for-debt exchange transaction (a "Debt-For-Debt Exchange"). The Exchange Debt could take the form of senior secured notes or term loans, as determined by BD, but regardless of the form, Embecta anticipates that it will have outstanding indebtedness equal to approximately $1,650 million. Therefore, if the Exchange Debt takes the form of additional secured notes (above the $500 million in senior secured 5.000% notes noted above), then Embecta would reduce the aggregate principal amount of term loans incurred on or prior to the completion of the distribution so that the aggregate term loans outstanding as of the distribution would be equal to (a) $1,150 million less (b) the aggregate principal amount of any such Exchange Debt. In addition, in the event that BD determines that Embecta shall issue Exchange Debt to BD, then the amount of the cash dividend from Embecta to BD shall be equal to (1) the amount of the cash dividend from Embecta to BD that would have been made if the Exchange Debt had not been issued, *less* (2) the aggregate

principal amount of any such Exchange Debt. We refer to the cash dividend, taken together with the issuance of the Exchange Debt, if applicable, as the "Embecta-to-BD Distribution Transaction."

Who will be the distribution agent for the distribution and transfer agent and registrar for Embecta common stock?

The distribution agent, transfer agent and registrar for the Embecta common stock will be Computershare. For questions relating to the transfer or mechanics of the stock distribution, you should contact Computershare toll free at 877-498-8861 or non-toll free at +1-781-575-2879.

Where can I find more information about BD and Embecta?

Before the distribution, if you have any questions relating to BD's business performance, you should contact:

Becton, Dickinson and Company
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Attention: Investor Relations Department

After the distribution, Embecta shareholders who have any questions relating to Embecta's business performance should contact Embecta at:

Embecta Corp.
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Attention: Corporate Secretary

The Embecta investor website (*www.embecta.com*) will be operational on or around April 1, 2022. **The Embecta website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.**

INFORMATION STATEMENT SUMMARY

The following is a summary of selected information discussed in this information statement. This summary may not contain all of the details concerning the separation or other information that may be important to you. To better understand the separation and Embecta's business and financial position, you should carefully review this entire information statement. Unless the context otherwise requires, the information included in this information statement about Embecta, including the Combined Financial Statements of the Diabetes Care Business, assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution. Unless the context otherwise requires, or when otherwise specified, references in this information statement to "Embecta," "we," "us," "our," "our company" and "the company" refer to Embecta Corp., a Delaware corporation, and its subsidiaries. Unless the context otherwise requires, references in this information statement to "BD" refer to Becton, Dickinson and Company, a New Jersey corporation, and its consolidated subsidiaries, including the diabetes care business prior to completion of the separation.

Unless the context otherwise requires, or when otherwise specified, references in this information statement to Embecta's historical assets, liabilities, products, businesses or activities of Embecta's businesses are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the diabetes care business of BD as it was conducted as part of BD prior to completion of the separation.

Our Company

Embecta is a leading global medical device company focused on providing solutions to improve the health and wellbeing of people living with diabetes. Over the 95-year history of our business, we believe that our products have become one of the most widely recognized and respected brands in diabetes management in the world. We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our business traces its origins to 1924, when BD developed the first dedicated insulin syringe. Since then, we have built a world-class organization with a unique manufacturing supply chain and commercial footprint, delivering over 7.6 billion units of diabetes injection devices globally in 2021. We generated revenues of $1,165 million, $1,086 million and $1,109 million in 2021, 2020 and 2019, respectively.

We have a broad portfolio of marketed products, including a variety of pen needles, syringes and safety devices, which are complemented by our proprietary digital applications designed to assist people with managing their diabetes. Our pen needles are sterile, single-use, medical devices, designed to be used in conjunction with insulin pens and are used to inject insulin or other diabetes medications. We also sell safety pen needles, which includes resin injection-molded shields on both ends of the cannula that automatically deploy to help prevent needlestick exposure and injury during injection and disposal. Our traditional and safety pen needles are compatible and frequently used with widely available pen injectors in the market today. In addition to pen needles, we sell sterile, single-use insulin syringes, which are used to inject insulin drawn from insulin vials. We also sell safety insulin syringes, which incorporates a manually activated sliding sleeve to help prevent needlestick exposure and injury during injection and disposal.

In addition to selling pen needles, syringes and safety devices, we seek to promote advances in diabetes care through thought leadership and engagement with people with diabetes, healthcare providers and other stakeholders. To foster connection with and offer support to people with diabetes, we launched our diabetes care app (the "diabetes care app") in 2018. The diabetes care app serves as a channel for our support, education of and engagement with this community. We are also proud sponsors of key scientific seminars seeking to improve the management of diabetes. For example, we founded and sponsor the Forum for Injection Technique & Therapy Expert Recommendations (FITTER), which is the latest in a series of scientific seminars focused on improving the management of diabetes for healthcare professionals and people with diabetes globally. FITTER seeks to

promote evidence-based clinical best practice, safety and self-care of diabetes injectable and infusion therapies for improved health outcomes, well-being, lower healthcare costs and reduced burden on care providers and the wider society.

We believe that the technology and know-how incorporated into our products distinguishes them in a meaningful way from other products in the market in the minds of our end-user customers and healthcare providers. We have a track record of delivering innovation in diabetes care informed by our deep understanding of the needs of people with diabetes. For example, we were instrumental in the development and global commercialization of the pen needle, which revolutionized insulin delivery and today is the primary mode of insulin delivery globally. As an independent diabetes-focused entity, our research and development programs will be geared toward both incremental improvements in our existing products as well as the development of new products. For example, we are working on developing a potential insulin patch pump focused on serving the needs of people living with Type 2 diabetes. We anticipate this insulin patch pump will have an increased reservoir size to hold more insulin and a simplified delivery system compared to existing insulin patch pumps, and overall provide for an improved user experience. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. We are still in the process of designing and developing these products and, if and when we complete this process, we will need to apply for and obtain clearance from the FDA and similar regulatory authorities in jurisdictions outside of the United States for each product to market and sell any such product in the United States and abroad.

Our global manufacturing, commercial team and distribution networks enable us to produce and distribute our products to end users and healthcare providers in over 100 countries. We have three manufacturing sites located in Ireland, the United States and China. We believe that these manufacturing sites enable us to efficiently and consistently produce high-quality, safe and reliable products. Upon the separation, we also expect to have over 600 employees focused on commercialization activities, including general management, sales, marketing, digital, market access & development and insights & analytics, over 50% of whom will be in emerging markets within Eastern Europe, the Middle East, Africa, Latin America, Central and Southeast Asia and Mainland China. We will distribute our products through a variety of channels, including retail, hospitals, pharmacies and other institutional channels. Our commercial team and distribution networks enable us to reach a broad base of customers across the globe.

Our Competitive Strengths

We believe the following strengths position us with long-term competitive advantages:

- ***Pure-play leader in diabetes management, a significant and growing industry***. We currently manufacture over 7.6 billion units of injection devices annually and estimate that these devices serve 30 million end-user customers around the world. Based on our internal estimates, we believe that we provide injection devices to more people with diabetes globally than any other medical device company. As a chronic and progressive condition, diabetes affects the physical, emotional and social well-being of the affected individuals and their caregivers. Improper management can result in significant and long-term complications ranging from cardiovascular to renal and neurological diseases, further driving demand for effective products to help treat the disease. We believe the demand for injection devices will continue to grow due to an anticipated rise in people with diabetes and increased expenditures on diabetes care.
- ***Globally recognized franchise with 95-year history***. We believe that we have a reputation among people with diabetes and healthcare professionals around the world for making the highest quality insulin delivery products, including pen needles, insulin syringes and diabetes medication injection safety products. Our business traces its history to 1924, when BD became the first company to develop a dedicated insulin syringe. Since then, our business developed the world's first self-contained insulin syringe, the first safety-engineered syringe, the first 8mm, 5mm and 4mm pen needles and the first safety pen needle with dual protective shields, among other innovations. We believe that our business

is recognized as the standard-bearer in pen needles, insulin syringes and diabetes medication injection safety products among people with diabetes and healthcare providers worldwide, and based on our internal estimates we believe we are the industry leader by volume for each of these products globally, including the industry leader by volume in pen needles in each of the United States, Canada, EMEA (which includes Europe, the Middle East and Africa), Latin America, China and the Central Asia, South Asia and Japan regions. Over the past several years, we have continued to invest in our core product franchises as well as advocacy initiatives to enhance the lives of people with diabetes. Our FITTER education initiatives, focused around the importance of injection technique and user experience, have helped strengthen our franchise's reputation with patients, pharmacists, healthcare providers and healthcare institutions. We believe that these factors make us the needle of choice for first-time insulin-injection prescriptions, with strong conversion rates to long-term use and loyalty to the franchise.

- ***Geographically diversified revenue and strong cash flow generation supports future growth.*** We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our sales provide us with a strong, stable and recurring revenue base that is geographically diversified, generating revenues of $1,165 million in fiscal year 2021, net income of $415 million and Adjusted EBITDA of $546 million, which represents a net income margin of approximately 35.6% and an Adjusted EBITDA margin of approximately 46.9%. In fiscal year 2021, approximately 48% of our total revenue was generated outside of the United States. In particular, our revenue in emerging markets represents a meaningful and rapidly growing share of our total revenue year over year. The combination of our scale and highly efficient operations results in strong cash flow generation. We anticipate our strong cash flow will enable us to continue to invest in our business both organically and inorganically through strategic partnerships and acquisitions to support our competitive position, drive future revenue growth and lead in driving innovation.
- ***Global sales and manufacturing infrastructure***. We have an extensive sales and manufacturing infrastructure to support our global presence. We sell products using a worldwide network of highly efficient, strategically placed direct and indirect sales representatives, which we believe is the single largest sales organization dedicated to pen needles and insulin syringes. We also have long-term relationships with manufacturers of diabetes medications, many major pharmacies, retail outlets and payors. Our varied distribution channels include individual practitioners, retail pharmacies, wholesalers and long-term acute care hospitals, and we believe that these channels help us reach a broad set of stakeholders in diabetes care. We also have an extensive manufacturing network supported by our global logistics infrastructure and close to 800,000 square feet of manufacturing space located across the United States, Ireland and China. For example, in China, we currently have world-class manufacturing operations with dedicated sales and marketing teams to support our growing presence in the country. Overall, we believe that our extensive manufacturing infrastructure and global distribution network enable us to provide our customers with a reliable and consistent supply of quality products.
- ***History of innovation and pipeline of new products***. We have a holistic approach to innovation with a track record of developing devices that we believe have improved the standard of diabetes care. We have a pipeline of products under development, including those that may represent a potential improvement on existing products and entirely new products. For example, we are currently working on developing a potential insulin patch pump focused on serving the needs of people with Type 2 diabetes. We anticipate this insulin patch pump will have an increased reservoir size to hold more insulin and a simplified delivery system compared to existing insulin patch pumps, and overall provide for an improved user experience. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. Any such products, if and when developed, will require clearance from the FDA and similar regulatory authorities in jurisdictions outside of the United States before we can market and sell such products. We also focus on engaging

with and supporting our user base. To this end, we have developed our diabetes care app, which provides users with an integrated diabetes self-management solution. Our diabetes care app has been downloaded over 400,000 times since its first launch in May 2018, and is available for download in the United States, Canada, Brazil, Germany, France, Mexico, Switzerland, Italy and Japan. We view digital engagement as a key vector for our future growth, and we plan to continue to enhance our digital capabilities in coming years.

- ***Proven executive leadership and a highly motivated workforce***. We have assembled an experienced and accomplished senior management team. Our leadership and employees are energized by the prospect of being part of a leading pure-play leader in the diabetes space and are excited at the prospect of driving continued innovation and improvements in the standard of diabetes care globally.

Our Business Strategy

We intend to continue to grow our business by pursuing the following core strategies:

- ***Increase use of our products through sales and marketing efforts, education and diabetes management solutions***. According to the International Diabetes Federation (the "IDF"), approximately 537 million adults (aged 20-79) worldwide were living with diabetes in 2021, including those who are not yet diagnosed, and the number is projected to increase to 643 million adults by 2030 and 783 million adults by 2045. We seek to increase use of our products by bringing awareness of the effectiveness and quality of our products to the different players in this growing market. Our products are inspired and supported by the decades of research collaborations with healthcare providers and opinion leaders around the world, which has resulted in several clinical studies and peer-reviewed publications, ultimately informing global clinical practice guidelines. We plan to increase the awareness of the effectiveness and quality of our products through clinician engagement, sales and marketing efforts and digital solutions that foster education, engagement, adherence and personalized diabetes management solutions for people with diabetes. We also seek to grow the number of people we serve by leveraging our global employee base, world-class manufacturing facilities and unique insights into the needs of people with diabetes and caregivers to expand our global commercial impact and footprint.
- ***Expand our business in emerging markets***. Our net sales in emerging markets represented approximately 16% of our total net sales in fiscal year 2021 and the sales in emerging markets has grown approximately 4.9% per year since fiscal year 2018. We expect that demand for insulin administration products will continue to grow in emerging markets, such as the China region, India and Mexico, and we will continue to invest in our business in these regions. For example, we expect to use our large manufacturing infrastructure in China to supply other high-growth markets in South and Central Asia. In addition, we expect that over 50% of our employees focused on commercialization activities will be in emerging markets within Eastern Europe, the Middle East, Africa, Latin America, Central and Southeast Asia and Mainland China. We believe that our operating history in these countries, strong franchise, existing infrastructure, growing direct presence and country specific product portfolio will position us well in these high growth regions.
- ***Invest in next-generation products***. Over the past several years, we have invested in developing new products, including the next generation of pen needles, safety pen needles, syringes and safety syringes. As a pure-play leader in the diabetes space, we will have increased flexibility to invest capital in innovative new products to better serve the evolving needs of people with diabetes. For example, we are currently developing a potential insulin patch pump designed to be a fully integrated solution for people living with Type 2 diabetes. If successful, we believe this product could result in significant additional sales given that Type 2 diabetes constitutes approximately 90% of the overall diabetes population according to the IDF. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. We are also continuing to further

develop our diabetes care app, which we believe helps us communicate with end-user customers more effectively and positions us uniquely in interconnected diabetes management solutions. Through this app, our goal is to provide end users with actionable insights to influence behavioral or lifestyle changes that improve glycemic control and improve quality of life and overall health. This digital offering increases connectivity to members of the diabetes community and provides a potential base for entry into the e-commerce channel.

- ***Pursue strategic partnerships and acquisition opportunities***. We intend to continue to explore strategic partnerships and acquisition opportunities that enable us to accelerate our growth. We intend to selectively pursue strategic opportunities that give us access to innovative technologies, complementary product lines or new markets, while retaining our focus on improving the user experience and clinical outcomes and potentially other adjacent chronic conditions. Our independence will give us the freedom and flexibility to strategically allocate capital toward strategic partnerships and acquisitions to accelerate the growth of our business.
- ***Seek to provide other products and services that will be useful for diabetes management***. As an independent, pure-play, diabetes focused business, we will seek opportunities to provide other products and services for diabetes management. We have a long and deep history of driving improvements in the standard of diabetes care from diagnosis to periodic monitoring, lifestyle improvements, therapy selection and administration of insulin. We believe a fully coordinated and integrated chronic disease management platform will drive improved care and outcomes for people with diabetes. Our diabetes care app positions us uniquely in interconnected diabetes management solutions, and we will seek opportunities to use it to sell other products and services that will be useful for diabetes management.

Summary of Risk Factors

An investment in Embecta is subject to a number of risks, including risks relating to its business, risks related to Embecta's separation from BD, and risks related to Embecta common stock. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in the section entitled "Risk Factors" of this information statement for a more thorough description of these and other risks.

Risks Related to Embecta's Business

- The medical technology industry is very competitive.
- Embecta generates a significant amount of its products and cash flows from a few key products, and any events that adversely affect the sale or profitability of these products could have an adverse impact on Embecta's sales, results of operations and cash flows.
- Technological breakthroughs in diabetes treatment or prevention may reduce demand for Embecta's products.
- Embecta will obtain components and raw materials for its products from third parties, including BD. These third parties may fail to perform under their agreements with Embecta, or there may be a reduction or interruption in the manufacturing and supply of these components and raw materials. Any such failure to perform or a reduction or interruption in supply could have a material adverse effect on Embecta's business and operations.
- Embecta may experience difficulties and delays in the manufacturing of its products or sterilization operations, and any such difficulties and delays could adversely affect Embecta's business.
- Embecta's products are subject to continuous reimbursement, coverage and access scrutiny by both private and government payers, including the scope of products covered, access and coverage among product brands and manufacturers, reimbursement limitations and price adjustment restrictions. A change in any of these factors could have an adverse impact on Embecta's financial condition and results of operations.

- Embecta may enter into strategic collaborations, in-licensing arrangements or alliances with third parties that may not result in the development of commercially viable products or the generation of revenue.
- Embecta's sales and marketing efforts rely upon independent distributors that are free to market products that compete with Embecta's products, and if Embecta is unable to maintain or expand its network of independent distributors, its business could be materially adversely affected.
- Embecta's future growth is dependent in part upon the development of new products, and there can be no assurance that such products will be developed or be successful.
- If the third parties on which Embecta relies to conduct its clinical trials and to assist it with pre-clinical development do not perform as contractually required or expected, or if market or clinical studies are unfavorable to its products in development, Embecta may not be able to obtain regulatory clearance or approval or commercialize its products.
- Embecta's failure to maintain strong relationships with physicians and other healthcare professionals could adversely affect its business.
- Embecta's international operations subject it to certain business risks.
- If Embecta fails to protect its intellectual property or proprietary technology, such failure could adversely affect its business and results of operations.

Risks Related to the Separation and Distribution

- Embecta has no history of operating as an independent company, and its historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.
- Following the separation, Embecta's financial profile will change, and it will be a smaller, less diversified company than BD prior to the separation.
- Embecta may not achieve some or all of the expected benefits of the separation.
- If Embecta is unable to replace the services that BD currently provides to it on terms that are at least as favorable to Embecta as the terms on which BD is providing such services, Embecta's business and results of operations could be adversely affected.
- Embecta's accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it will be subject as a standalone publicly traded company following the distribution.
- Following the separation, Embecta will be required to rebrand its products to remove the BD name, which could adversely affect its ability to attract and maintain end users.
- Embecta will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations.

Risks Related to Embecta Common Stock

- There is no assurance that an active trading market for Embecta common stock will develop or be sustained after the distribution and, following the distribution, the price of Embecta common stock may fluctuate significantly.

- A significant number of shares of Embecta common stock may be sold following the distribution, which may cause the Embecta stock price to decline.
- Your percentage of ownership in Embecta may be diluted in the future.
- Embecta cannot guarantee the timing, amount or payment of dividends on its common stock.

The Separation and Distribution

On May 6, 2021, BD announced that it intended to separate its diabetes care business into an independent public company, with the separation to occur through a pro rata distribution to the BD shareholders of 100% of the shares of common stock of a company formed to hold the diabetes care business.

On February 1, 2022, the BD Board of Directors approved the distribution of all of Embecta's issued and outstanding shares of common stock on the basis of one share of Embecta common stock for every five shares of BD common stock held as of the close of business on March 22, 2022, the record date for the distribution.

Embecta's Post-Separation Relationship with BD

After the distribution, BD and Embecta will each be separate companies with separate management teams and separate boards of directors. Prior to the distribution, BD and Embecta will enter into the separation and distribution agreement. In connection with the separation, Embecta will also enter into various other agreements to effect the separation and to provide a framework for Embecta's relationship with BD after the separation, including a transition services agreement, a tax matters agreement, an employee matters agreement, a cannula supply agreement, contract manufacturing agreements, an intellectual property matters agreement, a logistics services agreement, distribution agreements and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the allocation between Embecta and BD of the assets, employees, liabilities and obligations (including, among others, investments, property (including intellectual property) and employee benefits and tax-related assets and liabilities) of BD and its subsidiaries attributable to periods prior to, at and after the separation and will govern the relationship between us and BD subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled "Risk Factors—Risks Related to the Separation and Distribution" and "Certain Relationships and Related Party Transactions."

Reasons for the Separation

The BD Board of Directors believes that the separation of the diabetes care business from BD into an independent, publicly traded company is in the best interests of BD and its shareholders for a number of reasons, including:

- *Enhanced Focus on Strategic, Operational Drivers to Accelerate Revenue Growth.* The separation will permit each of BD and Embecta to more effectively pursue its own distinct operating priorities and strategies, and will enable the management teams of each of the two companies to focus on strengthening its core business and addressing its unique operating and other needs, and pursue distinct and targeted opportunities for long-term growth and profitability.
- *More Efficient Resource and Capital Allocation to Pursue Each Company's Strategic Goals.* The separation will permit each of BD and Embecta to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The separation will also allow each business to more effectively pursue its own distinct capital structures and capital allocation strategies. In addition, after the separation, the diabetes care business will no longer be required to compete internally with BD's other businesses for capital and

other corporate resources. As an independent entity, Embecta will be free to invest its strong capital generation for its own organic and inorganic opportunities in order to accelerate growth and expand its leadership for the benefit of patients and to drive shareholder value.

- *Targeted Investment Opportunity.* The separation will allow each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business, and will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.
- *Creation of Independent Equity Currencies.* The separation will create independent equity securities for Embecta, affording Embecta direct access to the capital markets, enabling it to use its own industry-focused stock to consummate future acquisitions or other transactions. As a result, Embecta will have more flexibility to capitalize on its unique strategic opportunities.
- *Employee Incentives, Recruitment and Retention.* The separation will allow Embecta to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with its specific growth objectives, financial goals and business performance. In addition, the separation will allow incentive structures and targets at Embecta to be better aligned with its business. Similarly, recruitment and retention for Embecta will be enhanced by more consistent talent requirements across its business, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with its core business activities, principles and risks of each company.

The BD Board of Directors also considered a number of potentially negative factors in evaluating the separation, including that (1) the anticipated benefits of the separation may not be achieved for a variety of reasons; and (2) after the separation, as a standalone company, Embecta may be unable to obtain the goods and services that the diabetes care business previously obtained as part of BD at prices or on terms as favorable as those currently obtained by BD. In determining to pursue the separation, the BD Board of Directors concluded the potential benefits of the separation outweighed the foregoing factors. See the sections entitled "The Separation and Distribution—Reasons for the Separation" and "Risk Factors" included elsewhere in this information statement.

Corporate Information

Embecta was incorporated in Delaware for the purpose of holding BD's diabetes care business in connection with the separation and distribution described in this information statement. Prior to the transfer of the diabetes care business to Embecta by BD, which will occur prior to the distribution, Embecta will have no operations other than those incidental to the separation. The address of Embecta's principal executive offices will be 1 Becton Drive, Franklin Lakes, NJ 07417. Its telephone number after the distribution will be (201) 847-6800. Embecta will maintain an Internet site at *www.embecta.com*. This website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to BD shareholders who will receive shares of Embecta common stock in the distribution. It is not to be construed as an inducement or encouragement to buy or sell any of Embecta's securities. The information contained in this information statement is believed by Embecta to be accurate as of the date set forth on its cover. Changes may occur after that date, and neither BD nor Embecta will update the information except as may be required in the normal course of their respective disclosure obligations and practices.

Summary Historical and Unaudited Pro Forma Financial Information

The following tables set forth summary historical combined and unaudited pro forma financial information. You should read this information in conjunction with the information under "Selected Historical Combined Financial Data of the Diabetes Care Business," "Unaudited Pro Forma Condensed Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," our audited annual combined financial statements and the related notes included elsewhere in this information statement.

We derived the selected historical combined financial information for each of the fiscal years in the three-year period ended September 30, 2021 from our audited annual combined financial statements included elsewhere in this information statement.

The selected unaudited pro forma financial information as of and for the year ended September 30, 2021 is unaudited and has been derived from our unaudited pro forma financial information included elsewhere in this information statement.

Combined Balance Sheet

Millions of dollars	Pro Forma as of September 30, 2021	As of September 30, 2021	As of September 30, 2020
Assets			
Current Assets			
Cash and cash equivalents	$ 265	$ —	$ —
Trade receivables, net	45	151	120
Inventories	117	118	102
Prepaid expenses and other	23	23	13
Total Current Assets	450	292	235
Property, Plant and Equipment, Net	390	451	462
Goodwill and Other Intangible Assets	34	34	30
Other Assets	56	11	11
Total Assets	$ 930	$ 788	$ 738
Liabilities and Parent's Equity			
Current Liabilities			
Accounts payable	$ 53	$ 54	$ 50
Accrued expenses	86	82	68
Salaries, wages and related items	31	28	19
Total Current Liabilities	170	164	137
Deferred Income Taxes and Other Liabilities	62	30	29
Long-term Debt	1,600	—	—
Commitments and Contingencies (See Note 6)			
Equity			
Net parent investment	—	865	834
Common stock, $0.01 par value, 250,000,000 shares authorized; 57,857,600 shares issued and outstanding on a pro forma basis	1	—	—
Accumulated deficit	(632)	—	—
Accumulated other comprehensive loss	(271)	(271)	(262)
Total equity	(902)	594	572
Total liabilities and equity	$ 930	$ 788	$ 738

Combined Statement of Income

Millions of dollars	Pro Forma Year Ended September 30, 2021	For the Year Ended September 30, 2021	2020	2019
Revenues	$ 1,188	$ 1,165	$ 1,086	$ 1,109
Cost of products sold(1)	410	365	323	323
Gross Profit	778	800	763	786
Operating expenses:				
Selling and administrative expense	241	240	215	222
Research and development expense	63	63	61	62
Other operating expense	5	5	—	—
Total Operating Costs and Expenses	309	308	276	284
Operating Income	469	492	487	502
Other income (expense), net	2	3	(1)	(2)
Interest expense	(72)	—	—	—
Income Before Income Taxes	399	495	486	500
Income tax provision	59	80	58	68
Net Income	$ 340	$ 415	$ 428	$ 432
Basic earnings per common share	5.88			
Diluted earnings per common share	5.87			
Weighted-average common shares outstanding				
Basic	57,857,600			
Diluted	57,889,097			
Other data(2)				
EBITDA	$ 508	$ 533	$ 524	$ 536
Adjusted EBITDA	$ 521	$ 546	$ 537	$ 548

(1) Includes costs for inventory purchases from related parties of $41 million in 2021, $38 million in 2020 and $37 million in 2019.

(2) In addition to our operating results, as calculated in accordance with U.S. generally accepted accounting principles (GAAP), we use, and plan to continue using, EBITDA and Adjusted EBITDA when monitoring and evaluating operating performance. EBITDA means earnings attributable to the Diabetes Care business before interest, taxes, depreciation and amortization. Adjusted EBITDA means EBITDA adjusted for certain items that we believe are outside of underlying operational results or that affect period-to-period comparability. We believe that these non-GAAP measures better enable an understanding of our performance year-over-year and provide additional insight and transparency as to how we evaluate our business and make operational decisions. Additionally, EBITDA and Adjusted EBITDA are important metrics for debt investors who utilize debt-to-EBITDA ratios. Because EBITDA and Adjusted EBITDA are not measures determined in accordance with GAAP, they have no standardized meaning prescribed by GAAP. Therefore, the EBITDA and Adjusted EBITDA measures presented below may differ from similar measures used by other companies, even when similar terms are used to identify such measures. These metrics should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP. EBITDA and Adjusted EBITDA are not calculated or presented in accordance with U.S. GAAP, and other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. Our combined balance sheet and statement of income do not include an allocation of third-party debt or interest expense from BD because we were not the legal obligor of the debt and because BD's borrowings were not directly attributable to our business.

However, in connection with the spin-off, we expect to incur debt and such indebtedness would cause us to record additional interest expense in future periods. See “Description of Material Indebtedness.”

A reconciliation between GAAP financial measures, EBITDA and Adjusted EBITDA is as follows:

Millions of dollars	Pro Forma Year Ended September 30, 2021	For the Year Ended September 30, 2021	2020	2019
Net income	$ 340	$ 415	$ 428	$ 432
Income tax provision	59	80	58	68
Depreciation and amortization	37	38	38	36
Interest expense	72	—	—	—
EBITDA	$ 508	$ 533	$ 524	$ 536
Share-based compensation	13	13	13	12
Adjusted EBITDA	$ 521	$ 546	$ 537	$ 548

Items excluded from Adjusted EBITDA are evaluated on an individual basis and consist of items that are outside of underlying operational results or that affect period-to-period comparability. Excluded from Adjusted EBITDA is share-based compensation (see Note 8 to our annual combined financial statements).

Pro forma EBITDA and pro forma Adjusted EBITDA presented above have been prepared to provide certain non-GAAP information for Embecta, giving effect to the pro forma adjustments to our historical results of operations to arrive at our pro forma results of operations. The unaudited pro forma non-GAAP measures assume that the separation and related transactions occurred as of October 1, 2020.

RISK FACTORS

You should carefully consider the following risks and other information in this information statement in evaluating Embecta and Embecta common stock. Any of the following risks and uncertainties could materially adversely affect Embecta's business, financial condition or results of operations.

Risks Related to Embecta's Business

The medical technology industry is very competitive.

Embecta faces significant competition from a wide range of companies in each market in which its products are sold. These include large companies with multiple product lines and non-traditional entrants such as technology companies, some of which may have greater financial and marketing resources than Embecta in the United States or other markets, as well as smaller, more specialized companies.

Embecta's ability to compete will also be affected by changing preferences and requirements of people with diabetes, as well as changes in the ways healthcare services are delivered. Efforts to contain healthcare costs by governments and the private sector are also resulting in increased emphasis on products that reduce costs, improve clinical results and expand access. Embecta's ability to remain competitive will depend on how well it will meet these changing market demands in terms of its product offerings and marketing approaches.

The medical technology industry is subject to rapid technological change and frequent introduction of new products. The development of new or improved products, processes or technologies by other companies (such as new technologies to administer insulin) that provide better features, pricing, clinical outcomes or economic value may make Embecta's existing or new products less competitive. In some instances, competitors, including pharmaceutical companies, also offer, or are attempting to develop, alternative therapies for disease states (including diabetes) that may be delivered without a medical device, such as pen needles. Lower cost producers have also created pricing pressure, particularly in emerging markets. There can be no assurance that Embecta's products will be commercially successful, and it is possible that its business will be adversely affected from time to time as a result of products developed by its competitors.

Consolidation among healthcare systems and other providers is resulting in greater purchasing power for these companies. Group purchasing organizations and integrated health delivery networks have also served to concentrate purchasing decisions for some customers, which has led to downward pricing pressure for medical device suppliers. Further consolidation in the industry could intensify competition among medical device suppliers and exert additional pressure on the demand for and prices of Embecta's products.

Embecta generates a significant amount of its products and cash flows from a few key products, and any events that adversely affect the sale or profitability of these products could have an adverse impact on Embecta's sales, results of operations and cash flows.

Embecta's ability to generate profits and operating cash flow depends largely upon the continued profitability of its key products, such as its pen needles and syringes. For example, for the fiscal year ended September 30, 2021, sales of pen needles (including both conventional and safety pen needles) accounted for $941 million, or 81%, of its total sales. Any event that adversely affects the sale or profitability of this product could adversely affect Embecta's sales, results of operations and cash flows. These adverse events could include a decrease in the demand for such products, the pressure to decrease the price of such products, any increase in costs of manufacturing such products or other supply chain disruptions, increased availability of competitive products, increased competition from the introduction of new products related to the treatment of diabetes or removal from the market of these products for any reason.

Technological breakthroughs in diabetes treatment or prevention may reduce demand for Embecta's products.

The diabetes treatment industry is subject to technological change and product innovation. A number of companies and medical researchers are pursuing new ways to deliver insulin to patients, including insulin

administration technologies that do not require the use of a needle, or to treat diabetes without the use of insulin or by delaying the use of insulin. If they are successful in developing these technologies or treatment therapies, the demand for Embecta's products could decline. Furthermore, the National Institutes of Health and other supporters of diabetes research are continually seeking ways to prevent diabetes. Any technological breakthroughs in diabetes prevention or treatment could decrease demand for Embecta's products and have a material adverse effect on its business or results of operations.

Embecta will obtain components and raw materials for its products from third parties, including BD. These third parties may fail to perform under their agreements with Embecta, or there may be a reduction or interruption in the manufacturing and supply of these components and raw materials. Any such failure to perform or a reduction or interruption in supply could have a material adverse effect on Embecta's business and operations.

Embecta will rely on a number of third parties to supply and manufacture the components and raw materials for its products. For example, in connection with the separation and prior to the distribution, Embecta and BD will enter into a cannula supply agreement, whereby BD will sell to Embecta cannulas for incorporation into Embecta's products for sale within the diabetes care sector. Cannulas are a component part of a wide variety of medical devices that use needles to deliver fluid into, or through which blood is drawn from, the body. After the separation, BD will retain ownership of all cannula production activities and all intellectual property rights of BD and its subsidiaries relating to cannula, the manufacture thereof and other critical cannula-related technology. The cannula supply agreement will be terminable by BD without cause by providing at least 36 months' written notice; however, such termination can be effective no earlier than ten years from the distribution date. In the event of a change of control of Embecta, BD will also have the right to terminate the cannula supply agreement. The cannula supply agreement will also terminate automatically, subject to a 36-month wind-down period, if Embecta's yearly forecast is below the required minimum purchase amount, and the parties will have other customary termination rights for material breach or bankruptcy of the other party. Embecta is also limited to a maximum number of cannulas that it can purchase under the cannula supply agreement. If BD fails to perform under this agreement or BD terminates this agreement in accordance with its terms and, in either case, Embecta cannot find a way to purchase cannula from another party or manufacture cannula, or if Embecta needs to purchase more cannula than it is permitted under cannula supply agreement, Embecta may have insufficient cannulas for its products, which could materially adversely affect Embecta's business, financial condition or results of operations.

Embecta also obtains other component parts and raw materials from other third parties. In many cases, Embecta will not have long-term supply agreements with suppliers of these component parts and raw materials, and its arrangements with these suppliers are on a purchase-order basis. Certain raw materials that we obtain from suppliers are subject to fluctuations in price and availability attributable to a number of factors, including general economic conditions, commodity price fluctuations, the demand by other companies for the same raw materials and the availability of complementary and substitute materials. In some cases, Embecta's agreements with suppliers can be terminated by either party by convenience upon short notice.

Certain raw materials and components used in the manufacture of pen needles and syringes, including cannulas, certain oil-based resins and rubber stoppers, are not always available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, Embecta purchases certain raw materials and components from a single supplier. The price and supply of these materials and components may be affected or disrupted for reasons beyond Embecta's control. While Embecta works with suppliers to ensure continuity of supply, no assurance can be given that these efforts will be successful. In the event that any of its existing supply arrangements are terminated or there is a reduction or interruption of supply under these existing arrangements, Embecta expects that it will be able to enter into new arrangements with alternative suppliers, but these new arrangements may be on terms that are less favorable, including with respect to price and volume, and it may be costly or cause delays in Embecta's manufacturing process to transition to a new supplier, particularly in cases in which Embecta must comply with regulatory requirements relating to qualification of new suppliers. The termination, reduction or interruption in supply of these raw materials and components could adversely impact Embecta's ability to manufacture and sell certain of its products.

Third-party suppliers may encounter problems during manufacturing for a variety of reasons, including failure to follow specific protocols and procedures, failure to comply with applicable regulations, equipment malfunction, component part supply constraints and environmental factors, any of which could delay or impede their ability to supply the components and raw materials for Embecta's products. Any such failure to perform or a reduction or interruption in supply could have a material adverse effect on Embecta's business and operations.

Embecta may experience difficulties and delays in the manufacturing of its products or sterilization operations, and any such difficulties and delays could adversely affect Embecta's business.

Embecta may experience difficulties and delays inherent in manufacturing its products, such as failure of Embecta or its suppliers to comply with applicable regulations and quality assurance guidelines, which failures may lead to: manufacturing shutdowns or manufacturing delays; delays related to the construction of new facilities or the expansion of existing facilities; and other manufacturing or distribution problems, including changes in manufacturing production sites and limits to manufacturing capacity resulting from regulatory requirements, changes in types of products produced and physical limitations that could affect supply. In addition, Embecta could experience difficulties or delays in manufacturing its products caused by natural disasters. Manufacturing difficulties can also result in product shortages, leading to lost sales and reputational harm to us. In addition, many of Embecta's products require sterilization prior to sale. In some instances, only a few facilities are qualified under applicable regulations to conduct this sterilization. To the extent Embecta or third parties (including BD) are unable to sterilize Embecta's products, whether due to lack of capacity, regulatory requirements or otherwise, Embecta may be unable to transition sterilization to other sites or modalities in a timely or cost effective manner, or at all, which could have an adverse impact on Embecta's business.

A substantial portion of Embecta's revenue is derived from sales to a few customers. If these customers reduce the amount of product that they purchase from Embecta reduce the amount that they are willing to pay for such products or increase charges to distribute such products, Embecta's business, financial condition and results of operations could be adversely affected.

A substantial portion of Embecta's revenues is derived from sales to a few customers. For example, for the fiscal year ended September 30, 2021, sales to McKesson Corporation, Cardinal Health and AmerisourceBergen Drug Corporation, Embecta's three largest distributors, together represented approximately 39% of Embecta's worldwide sales. The costs changed by these and other distributors to distribute Embecta's products is also subject to negotiation, and such distributors may propose increases in such charges from time to time. In addition, for the fiscal year ended September 30, 2021, direct sales to the five largest retail pharmacies for Embecta's products together represented approximately 14% of Embecta's worldwide sales. If any of Embecta's largest customers reduce the amount of product that they purchase from Embecta, decrease the price that they pay for such products or increase the charges to distribute such products, each could have a material adverse effect on Embecta's business, financial condition and results of operations.

Embecta's products are subject to continuous reimbursement, coverage and access scrutiny by both private and government payers, including the scope of products covered, access and coverage among product brands and manufacturers, reimbursement limitations and price adjustment restrictions. A change in any of these factors could have an adverse impact on Embecta's financial condition and results of operations.

In the United States, both public and private payers continue to take aggressive steps to control their expenditures for medical devices by placing restrictions on how many and which brands of devices they will provide coverage for across the spectrum of available products. Important competitive factors include quality, price, price guarantees and demonstrated ability to supply markets. Any failure by Embecta to differentiate its products with existing payers based on these and other factors or establish new payer relationships may adversely affect its financial condition and results of operations.

In addition, consolidation and integration among healthcare institutions and providers significantly affects the competitive landscape for medical devices. Health plans, pharmacy benefit managers, wholesalers, and other supply chain stakeholders have been consolidating into fewer, larger entities, thus enhancing their purchasing strength and importance. Specifically, private third-party insurers and governments typically maintain formularies that specify coverage (the conditions under which drugs and medical devices are included on a plan's formulary) and reimbursement (including both the associated out-of-pocket cost to the consumer and payment to the distributor) to control costs by negotiating discounted prices, inflation guarantees and other terms in exchange for formulary inclusion.

Adverse formulary placement can lead to reduced usage of a medical device for the relevant patient population due to coverage restrictions, such as prior authorizations and formulary exclusions, or due to reimbursement limitations that result in higher consumer out-of-pocket cost, such as nonpreferred co-pay tiers, increased co-insurance levels, and higher deductibles. Consequently, medical device companies compete for formulary placement not only on the basis of product attributes but also by providing rebates. Price to the end customer is an increasingly important factor in formulary decisions, particularly in treatment areas in which the payer has taken the position that multiple branded products are therapeutically comparable (like that of diabetes). These downward pricing pressures could continue to negatively affect Embecta's business. In addition to formulary placement, changes in insurance designs continue to drive greater consumer cost-sharing through high deductible plans and higher co-insurance or co-pays, increasing consumer sensitivity to product choice.

Embecta is consistently managing the burden of continued pressures associated with payers' discount requirements to maintain positive formulary positions. If Embecta fails to maintain these formulary positions or reduces prices on its products to maintain these formulary positions, it could adversely affect Embecta's results of operations. In addition to the evolving payer market that continues to put price pressure on Embecta's products, new competitors have emerged. Competitors that are new to the pen needle and insulin syringe categories, along with some that have emerged to begin engaging with payers, have accelerated the focus on these product categories, providing payers more choices for formulary partners within these medical device categories.

In addition to the ongoing challenges faced across the United States, Embecta faces similar access, pricing and reimbursement trends outside of the United States. Although payers' preferences for particular devices varies regionally, key foundational considerations for choice include: product specifications, clinical evidence demonstrating efficacy and positive clinical outcomes and pricing. Embecta is challenged to deliver new, innovative and differentiated products, along with price concessions, in markets outside of the United States, and price guarantees in these regions are critical to maintain access to key distributors and end users. For example, in EMEA (which includes Europe, the Middle East and Africa), the demand for medical devices that are paid out of pocket by the end user is limited. Access to these products is largely defined by the availability and size of government reimbursement, or, in a limited number of countries, the ability of manufacturers to negotiate reimbursement directly with insurance companies. In China, the most notable threat continues to be access through volume-based procurement and GPOs, with potential significant price erosions and cost containment within the healthcare landscape. These continued pricing pressures could adversely affect Embecta's financial condition and results of operations.

Embecta may enter into strategic collaborations, in-licensing arrangements or alliances with third parties that may not result in the development of commercially viable products or the generation of revenue.

In the ordinary course of its business, Embecta may enter into strategic collaborations, in-licensing arrangements or alliances to develop product candidates. Other companies, including those with substantially greater financial, marketing, sales, technology or other resources, may compete with us for these arrangements. These arrangements are subject to a variety of risks, including:

- Embecta may not identify or secure these collaborations in a timely manner, on a cost-effective basis, on acceptable terms or at all;

- these collaborations may not result in the development of products that achieve commercial success or result in any revenue to Embecta;
- Embecta may not exercise sole decision making authority with respect to material commercial decisions under these collaborations, resulting in gridlock with its partners, and its collaborators may have economic or business interests or goals that are, or that may become, inconsistent with its business interests or goals;
- Embecta may have limited control over the amount and timing of resources that its current collaborators or any future collaborators devote to its collaborators' or its future products;
- disputes between Embecta and its collaborators may result in litigation or arbitration that would increase Embecta's expenses and divert the attention of its management; and
- these collaborations may be terminated or dissolved in accordance with their terms prior to the development of any Embecta products or any realization by Embecta of any other benefits.

Embecta's sales and marketing efforts rely upon independent distributors that are free to market products that compete with Embecta's products, and if Embecta is unable to maintain or expand its network of independent distributors, its business could be materially adversely affected.

Embecta believes that a significant portion of its sales will continue to be to independent distributors for the foreseeable future, and it is possible that the percentage of its sales to independent distributors could increase. None of Embecta's independent distributors in the United States has been required to sell Embecta's products exclusively, and each of them may freely sell the products of Embecta's competitors. If Embecta is unable to maintain or expand its network of independent distributors, its sales may be negatively affected. For the fiscal year ended September 30, 2021, McKesson Corporation, Cardinal Health and AmerisourceBergen Drug Corporation, Embecta's three largest distributors, together represented approximately 39% of Embecta's worldwide sales. If any of its key independent distributors were to cease to distribute Embecta's products or reduce their promotion of such products as compared to the products of Embecta's competitors, Embecta may need to seek alternative independent distributors or increase its reliance on other independent distributors or its direct sales representatives, which alternative arrangements may not be sufficient to prevent a material reduction in sales of its products.

Embecta's future growth is dependent in part upon the development of new products, and there can be no assurance that such products will be developed or be successful.

A significant element of Embecta's strategy is to increase revenue growth by focusing on innovation and new product development. For example, Embecta is currently working on developing an insulin patch pump focused on serving the needs of people with Type 2 diabetes. Embecta is also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for ease and comfort. However, these potential products are still in the product development phase, and Embecta has not yet submitted an application to the FDA seeking clearance for any of these products. In addition, even if Embecta submits an application to the FDA for clearance, there is no assurance that such clearance will be obtained or that Embecta will be able to market and sell such products successfully. New product development requires significant investment in research and development. The results of Embecta's product development efforts may be affected by a number of factors, including Embecta's ability to anticipate the needs of people with diabetes, successfully complete clinical trials, obtain regulatory clearance and approvals for its products, manufacture such products in a cost-effective manner, obtain appropriate intellectual property protection for such products, gain and maintain market acceptance of such products and obtain reimbursement for such products. There can be no assurance that Embecta will be able to successfully develop or commercialize any products now in development or that Embecta may seek to develop or commercialize in the future.

If the third parties on which Embecta relies to conduct its clinical trials and to assist it with pre-clinical development do not perform as contractually required or expected, or if market or clinical studies are unfavorable to its products in development, Embecta may not be able to obtain regulatory clearance or approval or commercialize its products.

Embecta relies on third parties, such as contract research organizations, medical institutions, clinical investigators, contract laboratories and other third parties, to conduct some of its clinical trials and pre-clinical investigations. If these third parties do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, or if the quality or accuracy of the data they obtain is compromised due to failure to adhere to Embecta's clinical protocols or regulatory requirements or for other reasons, Embecta's pre-clinical development activities or clinical trials may be extended, delayed, suspended or terminated, and Embecta may not be able to obtain regulatory clearance or approval for, or successfully commercialize, its products on a timely basis, or at all, and Embecta's business and operating results may be adversely affected. Furthermore, Embecta's third-party clinical trial investigators may be delayed in conducting such clinical trials for reasons outside of their control.

In addition, if future clinical trials fail to support the efficacy or safety of Embecta's current or future products, Embecta's sales may be adversely affected and may have a material adverse effect on its business, financial condition and results of operations. In addition, future clinical studies or other articles regarding Embecta's existing products or any competing products may be published that either support a claim, or are perceived to support a claim, that a competitor's product is clinically more effective or easier to use than Embecta's insulin patch pump, redesigned safety pen needle and/or finer gauged pen needle in development or that any such product is not as effective as Embecta claims. Any of these events may negatively affect Embecta's sales efforts and result in decreased revenue.

Embecta's failure to maintain strong relationships with physicians and other healthcare professionals could adversely affect its business.

Embecta depends on its ability to maintain strong working relationships with physicians and other healthcare professionals in connection with research and development for some of its products. Embecta relies on these professionals to provide it with considerable knowledge and advice regarding the development and use of these products. If Embecta fails to maintain its working relationships with physicians and, as a result, no longer has the benefit of their knowledge and advice, Embecta's products may not be developed in a manner that is responsive to the needs and expectations of the professionals who use and support such products, which could have a material adverse effect on Embecta's business.

Embecta may not be able to successfully execute its acquisition strategy, which could adversely affect its financial condition and results of operations.

Embecta intends to explore strategic partnerships and acquisition opportunities that enable it to accelerate its growth. There is no assurance that future acquisitions will be available on attractive terms and Embecta's ability to consummate any acquisition will be subject to various risks and uncertainties, including the negotiation of agreements on satisfactory terms, obtaining applicable regulatory clearances and approvals and, after consummation, achieving anticipated synergies and other benefits. If Embecta does not successfully execute on its acquisition strategy, it could adversely affect its financial condition and results of operations.

Embecta's international operations subject it to certain business risks.

A substantial amount of Embecta's sales come from its operations outside the United States, and Embecta intends to continue to pursue growth opportunities outside of the United States, especially in emerging markets. Embecta's international operations subject it to certain risks relating to, among other things, fluctuations in foreign currency exchange, local economic and political conditions, competition from local companies, increases

in trade protectionism, U.S. relations with the governments of the foreign countries in which Embecta operates, foreign regulatory requirements or changes in such requirements, changes in local healthcare payment systems and healthcare delivery systems, local product preferences and requirements, longer payment terms for account receivables than we experience in the United States, difficulty in establishing, staffing and managing foreign operations, changes to international trade agreements and treaties, changes in tax laws, weakening or loss of the protection of intellectual property rights in some countries and import or export licensing requirements. The success of Embecta's international operations also depends, in part, on its ability to make necessary infrastructure enhancements to, among other things, its production facilities and sales and distribution networks. These and other factors may adversely impact its ability to pursue its growth strategy in these regions.

In addition to the risks discussed elsewhere, other risks associated with doing business internationally, include, but are not limited to:

- political instability and actual or anticipated military or political conflicts;
- trade protection measures, such as tariffs, and import and export licensing and control requirements;
- negative consequences from changes in or interpretations of tax laws;
- difficulty in establishing, staffing and managing international operations;
- difficulties associated with foreign legal systems, including increased costs associated with enforcing contractual obligations in foreign jurisdictions;
- changes in regulatory requirements;
- adapting to the differing laws and regulations, business and clinical practices, and consumer preferences in foreign markets;
- difficulties in managing foreign relationships and operations, including any relationships that we establish with foreign partners, distributors or sales or marketing agents; and
- difficulty in collecting accounts receivable and longer collection periods.

In addition, Embecta's international operations are governed by the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws outside the United States. Global enforcement of anti-corruption laws has increased substantially in recent years, with more enforcement proceedings by U.S. and foreign governmental agencies and the imposition of significant fines and penalties. Embecta's international operations, which often involve customer relationships with foreign governments, create the risk that there may be unauthorized payments or offers of payments made by employees, consultants, sales agents or distributors. Any alleged or actual violations of these laws may subject Embecta to government investigations and significant criminal or civil sanctions and other liabilities, and negatively affect its reputation.

Changes in U.S. policy regarding international trade, including import and export regulation and international trade agreements, could also negatively impact Embecta's business. The United States has imposed tariffs on certain goods imported from China and certain other countries, which has resulted in retaliatory tariffs by China and other countries. Additional tariffs imposed by the United States on a broader range of imports, or further retaliatory trade measures taken by China or other countries in response, could result in an increase in supply chain costs that Embecta may not be able to offset or that otherwise adversely impact its results of operations. In addition, political tensions between the United States and China have escalated in recent years. Rising political tensions could reduce trade, investment and other economic activities between the two major economies. Any of these factors could have a material adverse effect on Embecta's business, prospects, financial condition and results of operations.

The departure of the United Kingdom from the European Union ("EU") (commonly known as "Brexit") on January 31, 2020 has created uncertainties affecting business operations in the United Kingdom, the EU and a

number of other countries, including with respect to compliance with the regulatory regimes regarding the labeling and registration of the products Embecta sells in these markets. Embecta could face increased costs, volatility in exchange rates, market instability and other risks as a result of Brexit.

Foreign currency exchange rate, inflation, commodity price and interest rate fluctuations may adversely affect Embecta's financial condition and results of operations.

Embecta is exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates, commodity prices and interest rates. Products manufactured in, and sold into, regions outside of the United States represent a significant portion of Embecta's operations. The combined financial statements of the diabetes care business reflect translation of financial statements denominated in non-U.S. currencies to U.S. dollars as well as the foreign currency exchange gains and losses resulting from the re-measurement of assets and liabilities. A strengthening or weakening of the U.S. dollar in relation to the foreign currencies of the countries in which Embecta sells or manufacture its products, such as the euro, will affect its U.S. dollar-reported revenue and income. Changes in the relative values of currencies may, in some instances, have a significant effect on its results of operations.

Many of Embecta's products have significant resin content. Embecta also uses quantities of other commodities, such as rubber, corrugate and steel. Increases in the prices of these commodities, including due to inflation in the United States or in other markets, could increase the production and other input costs of Embecta's products. Embecta may not be able to pass on these costs to its customers, which could have a material adverse effect on its results of operations and cash flows.

Increases in interest rates may adversely affect the financial condition of Embecta's distributors and suppliers, thereby adversely affecting their ability to buy Embecta's products and supply the components or raw materials needed by Embecta, in each case adversely affecting Embecta's financial condition or results of operations.

Fluctuations in Embecta's effective tax rate and changes to tax laws may adversely affect it.

As a global company, Embecta is subject to taxation in numerous countries, states and other jurisdictions. Embecta's effective tax rate is derived from a combination of applicable tax rates in the various countries, states and other jurisdictions in which it operates. In preparing its financial statements, Embecta estimates the amount of tax that will become payable in each of these jurisdictions. Embecta's effective tax rate may, however, differ from the estimated amount due to numerous factors, including a change in the mix of its profitability from country to country and changes in tax laws, including potential tax legislation sponsored by the Biden Administration. If these proposals are ultimately enacted into legislation, they could materially impact Embecta's tax provision, cash tax liability and effective tax rate. Any of these factors could cause Embecta to experience an effective tax rate significantly different from previous periods or its current expectations, which could have an adverse effect on its business, financial condition, results of operations and cash flows.

If Embecta fails to protect its intellectual property or proprietary technology, such failure could adversely affect its business and results of operations.

Embecta relies primarily on patent, trademark and trade secret laws, as well as confidentiality and non-disclosure agreements covering its know-how and confidential information, to protect its proprietary technologies. Third parties, including its competitors, may contest or oppose its patents and trademarks and future patent and trademark applications, and if such patents or trademarks are successfully challenged, it may be easier for its competitors to offer the same or similar products or technologies or require Embecta to rebrand its products. Embecta can also lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Patents attained by competitors may also adversely affect Embecta's competitive position. In addition, competitors may seek to invalidate patents on its products or claim

that its products infringe upon their intellectual property, which could result in a loss of competitive advantage or the payment of significant legal fees, damage awards and past or future royalties, as well as injunctions against future sales of its products. Embecta has entered into confidentiality agreements and intellectual property assignment agreements with its officers, certain employees, consultants and potential collaborators regarding its intellectual property and proprietary technology. In the event of unauthorized use or disclosure or other breaches of those agreements, Embecta may not be provided with meaningful protection for its trade secrets, know-how or other proprietary information. Embecta also operates in countries that do not protect intellectual property rights to the same extent as in the United States, which could make it easier for competitors to compete with Embecta in those countries. The loss of a significant portion of its portfolio of intellectual property assets may have an adverse effect on its business and results of operations.

Embecta's products or processes may infringe the intellectual property rights of others, which may cause Embecta to pay unexpected litigation costs, damages, or settlement fees (including royalties) or prevent Embecta from selling its products.

Embecta cannot be certain that its products do not and will not infringe issued patents or other intellectual property rights of third parties. Embecta may be subject to legal proceedings and claims in the ordinary course of its business, including claims of alleged infringement of the intellectual property rights of third parties. Any such claims, whether or not meritorious, could result in litigation and divert the time and attention of its management team. If Embecta is found liable for infringement, it may be required to enter into licensing agreements (which may not be available on acceptable terms or at all) or to pay damages or cease making or selling certain products. Embecta may also need to redesign some of Embecta's products or processes to avoid future infringement liability.

Breaches of Embecta's information systems could have a material adverse effect on its operations.

Embecta relies on information systems to process, transmit, and store electronic information in its day-to-day operations, including sensitive personal or proprietary information. In addition, some of its products include information systems that collect data regarding patients and patient therapy on behalf of Embecta's customers and some connect to Embecta's systems for maintenance and management purposes. These information systems are subject to attack via malicious code execution, and cyber- or phishing- attacks. Cyberattacks could result in unauthorized access to Embecta's systems and products that could also affect its compliance with privacy and other laws and regulations, and result in actions by regulatory bodies or litigation, which in turn could have a material adverse impact on Embecta's operations.

Embecta needs to attract and retain key employees to be competitive.

Embecta's ability to compete effectively depends upon its ability to attract and retain executives and other key employees. Competition for experienced employees, particularly for persons with specialized skills, can be intense. Embecta's ability to recruit such talent will depend on a number of factors, including compensation and benefits, work location and work environment. If Embecta cannot effectively recruit and retain qualified executives and employees, its business could be adversely affected.

Embecta's business may be adversely affected by work stoppages, union negotiations and labor disputes.

As of today, only certain employees, all outside of the United States and representing approximately 33% of our headcount, are represented by various collective bargaining groups. Historically, the effects of collective bargaining and other similar labor agreements have not been significant. However, if a larger number of Embecta's employees were to unionize, including in the wake of any future legislation or administrative regulation that makes it easier for employees to unionize, the effect could be significant.

A significant portion of Embecta's unionized employees have collective bargaining agreements. Any inability to negotiate acceptable new contracts under these collective bargaining arrangements could cause strikes

or other work stoppages, and new contracts could result in increased operating costs for Embecta. If any such strikes or other work stoppages occur, or if additional employees become represented by a union, a disruption of Embecta's operations and higher labor costs could result. Labor relations matters affecting Embecta's suppliers of products and services could also adversely affect Embecta's business from time to time.

Embecta is subject to extensive regulation.

Embecta's operations are global and are affected by complex state, federal and international laws relating to healthcare, environmental protection, antitrust, anti-corruption, marketing, fraud and abuse (including anti-kickback and false claims laws), export control, product safety and efficacy, employment, privacy, financial transparency, conflict minerals and other areas. Violations of these laws can result in criminal or civil sanctions, including substantial fines and, in some cases, exclusion from participation in healthcare programs such as Medicare and Medicaid. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase Embecta's costs of operations or necessitate closures of or changes to its manufacturing plants or processes or those of its suppliers, or result in liability to Embecta. Embecta is also subject to various laws and regulations relating to the safety and effectiveness of medical devices, including relating to design, development and manufacturing, advertising and promotion and clinical trials and post-market studies with respect to its products. Failure to comply with these laws may result in enforcement actions by the Food and Drug Administration (the "FDA") and other liability to Embecta. The enactment of additional laws or changes in existing laws may increase compliance costs or otherwise adversely impact Embecta's operations.

Healthcare reform may have a material adverse effect on Embecta's financial condition and results of operations.

Political, economic and regulatory developments have effected fundamental changes in the healthcare industry. The Patient Protection and Affordable Care Act (the "Affordable Care Act") substantially changed the way healthcare is financed by both government and private insurers. It also encourages improvements in the quality of healthcare products and services and significantly impacts the U.S. pharmaceutical and medical device industries. Among other things, the Affordable Care Act:

- established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research;
- implemented payment system reforms, including a national pilot program to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and
- created an independent payment advisory board that will submit recommendations to reduce Medicare spending if projected Medicare spending exceeds a specified growth rate.

We cannot predict at this time the full impact of the Affordable Care Act or other healthcare reform measures that may be adopted in the future on Embecta's financial condition, results of operations and cash flows. In this regard, several legislative initiatives to repeal and replace the Affordable Care Act have been proposed, and legal challenges to the constitutionality of the Affordable Care Act or its component parts have been made. The nature and effect of any modification or repeal of, or legislative substitution for, the Affordable Care Act, or any court decision regarding the Affordable Care Act's validity, is uncertain, and we cannot predict the effect that any of these events would have on the longer-term viability of the act, or on Embecta's financial condition, results of operations or cash flows.

Certain modifications to Embecta's products may require new 510(k) clearances or other marketing authorizations and may require Embecta to recall or cease marketing its products.

Once a medical device is permitted to be legally marketed in the United States pursuant to a 510(k) clearance, a manufacturer may be required to notify the FDA of certain modifications to the device.

Manufacturers determine in the first instance whether a change to a product requires a new 510(k) clearance or premarket submission, but the FDA may review any manufacturer's decision. The FDA may not agree with Embecta's decisions regarding whether new clearances are necessary. Embecta has made modifications to its products in the past and has determined based on its review of the applicable FDA regulations and guidance that in certain instances new 510(k) clearances or other premarket submissions were not required. Embecta may make similar modifications or add additional features in the future that it believes does not require a new 510(k) clearance. If the FDA disagrees with Embecta's determinations and requires it to submit new 510(k) notifications, Embecta may be required to cease marketing or to recall the modified product until it obtains clearance, and it may be subject to significant regulatory fines or penalties.

Embecta may be subject to enforcement actions if it engages in improper marketing or promotion of its products.

Embecta's promotional materials and training methods must comply with applicable laws and regulations, including of the FDA and the Federal Trade Commission (the "FTC"). If the FDA or the FTC determines that Embecta's promotional or training material constitutes off-label, false or misleading, unfair or deceptive promotion of its products, it could request that Embecta modify its training or promotional materials or subject Embecta to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider Embecta's promotional or training materials to constitute off-label, false or misleading, unfair or deceptive promotion of its products, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement, and reputational harm.

Embecta is subject to complex and evolving laws and regulations regarding privacy and data protection, many of which are subject to change and uncertain interpretation, which could result in claims, changes to its business practices, penalties, increased cost of operations or declines in user growth or engagement, or otherwise adversely affect its business.

Embecta is subject to complex and frequently changing laws in the United States and elsewhere regarding privacy and the collection, use, storage and protection of personal information, and noncompliance with these laws could result in substantial fines or litigation. For instance, the EU has also adopted the General Data Protection Regulation ("GDPR"), which will apply to personal data involved in Embecta's operations in the EU or products and services that Embecta offers to EU users involving personal data. The GDPR creates a range of new compliance obligations that could require Embecta to change its existing business practices policies, and significantly increases financial penalties for noncompliance.

In the state of California, the California Consumer Privacy Act ("CCPA"), which provides certain privacy rights and consumer protection for residents of the state became effective in 2020, and the California Privacy Rights Act, which amends and expands the CCPA, will take effect in 2023. These consumer rights include the right to know what personal information is collected, the right to know whether the data is sold or disclosed and to whom, the right to request a company to delete the personal information it has collected, the right to opt-out of the sale of personal information and the right to non-discrimination in terms of price or service when a consumer exercises a privacy right. California's and other states' laws apply more broadly and now or in the future may reach data we hold that relates to employees and healthcare providers, not just customers. In addition, data security protection laws passed by the federal government and many states require notification to data subjects, including customers and others, when there is a security breach of personal data. If we fail to comply with these regulations, we could be subject to civil sanctions, including fines and penalties for noncompliance.

In addition, foreign data protection, privacy, and other laws and regulations can be more restrictive than those in the United States. Data localization laws in some countries generally mandate that certain types of data collected in a particular country be stored and/or processed within that country. Embecta could be subject to

audits in Europe and around the world, particularly in the areas of consumer and data protection, as Embecta continues to grow and expand its operations. Legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that make Embecta's products less useful to users, require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change Embecta's business practices. These changes or increased costs could affect Embecta's business and results of operations.

Embecta is subject to risks associated with public health threats, including the ongoing COVID-19 pandemic.

Embecta is subject to risks associated with public health threats, including the COVID-19 pandemic. The COVID-19 pandemic has the potential to significantly impact Embecta's supply chain if the manufacturing plants that produce its products, raw materials or product components, the distribution centers where Embecta manages its inventory or the operations of its logistics and other service providers, including third parties that sterilize its products, are disrupted, temporarily closed or experience worker shortages for a sustained period of time.

Embecta's manufacturing sites in China, Ireland and the United States, where Embecta manufactures a significant amount of products, largely avoided any significant disruption due to the COVID-19 pandemic. However, notwithstanding that each of these communities has experienced a relative recovery in COVID-19 transmission and a lessening of restrictions related to COVID-19, a future outbreak of COVID-19 at any of Embecta's manufacturing sites in China, Ireland and/or the United States or in the surrounding communities, could lead to delays in the manufacturing of Embecta's products, which could have a material adverse effect on Embecta's business and results of operations.

Moreover, any resurgence in COVID-19 infections, including due to new variants of the virus for which current vaccines may not be effective, could result in the imposition of new governmental lockdowns, quarantine requirements or other restrictions to slow the spread of the virus, which could result in closures or other restrictions that significantly disrupt Embecta's operations or those of distributors or suppliers in Embecta's supply chain.

Risks Related to the Separation and Distribution

Embecta has no history of operating as an independent company, and its historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.

The historical information about Embecta in this information statement refers to the diabetes care business as operated by and integrated with BD. The historical and pro forma financial information of Embecta included in this information statement is derived from the Consolidated Financial Statements and accounting records of BD. Accordingly, the historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that Embecta will achieve in the future primarily as a result of the factors described below:

- Generally, Embecta's working capital requirements and capital for its general corporate purposes, including capital expenditures and acquisitions, have historically been satisfied as part of the corporate-wide cash management policies of BD. Following the completion of the distribution, Embecta's results of operations and cash flows may be more volatile, and it may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.
- Prior to the distribution, Embecta's business has been operated by BD as part of its broader corporate organization, rather than as an independent company. BD or one of its affiliates

performed various corporate functions for us, such as legal, treasury, accounting, auditing, human resources, investor relations, and finance. The Diabetes Care Business (as defined in the historical combined financial statements included in this information statement) historical and pro forma financial results reflect allocations of corporate expenses from BD for such functions, which are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company.

- Currently, Embecta's business is integrated with the other businesses of BD. Historically, Embecta's business shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While we have sought to minimize the impact on Embecta when separating these arrangements, there is no guarantee these arrangements will continue to capture these benefits in the future.
- As a current part of BD, Embecta's business currently takes advantage of BD's overall size and scope to procure more advantageous arrangements. After the distribution, as a standalone company, Embecta may be unable to obtain similar arrangements to the same extent as BD did, or on terms as favorable as those BD obtained, prior to completion of the distribution.
- After the completion of the distribution, the cost of capital for Embecta's business may be higher than BD's cost of capital prior to the distribution.
- Embecta's historical financial information does not reflect the debt that we will incur as part of the distribution.
- As an independent public company, Embecta will separately become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act and will be required to prepare its standalone financial statements according to the rules and regulations required by the SEC. These reporting and other obligations will place significant demands on Embecta's management and administrative and operational resources. Moreover, to comply with these requirements, we anticipate that Embecta will need to migrate its systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures, and hire additional accounting and finance staff. Embecta expects to incur additional annual expenses related to these steps, and those expenses may be significant. If Embecta is unable to upgrade its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, its ability to comply with financial reporting requirements and other rules that apply to reporting companies under the Securities Exchange Act of 1934, as amended, could be impaired.

Other significant changes may occur in Embecta's cost structure, management, financing and business operations as a result of operating as a company separate from BD. For additional information about the past financial performance of its business and the basis of presentation of the historical combined financial statements and the Unaudited Pro Forma Condensed Combined Financial Statements of its business, see "Unaudited Pro Forma Condensed Combined Financial Information," "Selected Historical Combined Financial Data of the Diabetes Care Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements and accompanying notes included elsewhere in this information statement.

Following the separation, Embecta's financial profile will change, and it will be a smaller, less diversified company than BD prior to the separation.

The separation will result in Embecta being a smaller, less diversified company than BD. As a result, Embecta may be more vulnerable to changing market conditions, which could have a material adverse effect on its business, financial condition and results of operations. In addition, the diversification of Embecta's revenues,

costs, and cash flows will diminish as a standalone company, such that its results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and its ability to fund capital expenditures and investments, pay dividends and service debt may be diminished. Following the separation we may also lose capital allocation efficiency and flexibility, as Embecta will no longer have access to cash flow from BD to fund Embecta's business.

Embecta may not achieve some or all of the expected benefits of the separation.

Embecta may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The separation is expected to provide the following benefits, among others: (1) enabling management of BD and Embecta to more effectively pursue the distinct operating priorities and strategies of their respective businesses; (2) permitting BD and Embecta to allocate financial resources to meet the unique needs of their respective businesses, which will allow them to intensify their focus on distinct strategic priorities and to more effectively pursue their own distinct capital structures and capital allocation strategies; (3) allowing BD and Embecta to more effectively articulate a clear investment thesis to attract a long-term investor base suited to their businesses and providing investors with a distinct and targeted investment opportunity; (4) creating an independent equity security tracking Embecta's underlying business, affording Embecta with direct access to the capital markets and facilitating its ability to consummate future acquisitions or other transactions using its common stock; and (5) permitting Embecta to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely aligns management and employee incentives with specific business goals and objectives related to Embecta's business.

Embecta may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (1) the separation will demand significant management resources and require significant amounts of management's time and effort, which may divert management's attention from operating and growing Embecta's business; (2) following the separation, Embecta may be more susceptible to market fluctuations, and other adverse events than if it were still a part of BD because Embecta's business will be less diversified than BD's businesses prior to the completion of the separation; (3) after the separation, as a standalone company, Embecta may be unable to obtain certain goods, services and technologies at prices or on terms as favorable as those BD obtained prior to completion of the separation; (4) the separation may require Embecta to pay costs that could be substantial and material to its financial resources, including accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring key senior management and personnel new to Embecta, tax costs and costs to separate information systems; (5) under the terms of the tax matters agreement that Embecta will enter into with BD, it will be restricted from taking certain actions that could cause the distribution or certain related transactions to fail to qualify as tax-free to BD and BD shareholders, or could result in certain other taxes to BD, and these restrictions may limit us for a period of time from pursuing certain strategic transactions and equity issuances or engaging in other transactions that might increase the value of its business; and (6) the contractual arrangements between Embecta and BD may be on less favorable terms than the existing intercompany arrangements from which Embecta benefits, and such arrangements may be inadequate to provide for the ongoing operation and growth of Embecta's business. If Embecta fails to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, it could have a material adverse effect on its competitive position, business, financial condition, results of operations and cash flows.

If Embecta is unable to replace the services that BD currently provides to it on terms that are at least as favorable to Embecta as the terms on which BD is providing such services, Embecta's business and results of operations could be adversely affected.

Embecta will engage in the process of creating its own, or engaging third parties separate from BD to provide, systems and services to replace many of the systems and services that BD currently provides to Embecta, including, for example, information technology infrastructure and systems and accounting and reporting systems. Embecta may incur temporary interruptions in business operations if it cannot transition

effectively from BD's existing operating systems, databases and programming languages that support these functions to its own systems. The failure to implement the new systems and transition data successfully and cost-effectively could disrupt Embecta's business operations and have a material adverse effect on its profitability. In addition, Embecta's costs for the operation of these systems may be higher than the amounts reflected in its historical combined financial statements.

Embecta's accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it will be subject as a standalone publicly traded company following the distribution.

Embecta's financial results previously were included within the consolidated results of BD. Embecta was not directly subject to the reporting and other requirements of the Exchange Act. As a result of the distribution, Embecta will be directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of Sarbanes-Oxley Act, which will require annual management assessments of the effectiveness of its internal control over financial reporting and a report by its independent registered public accounting firm addressing these assessments. These reporting and other obligations will place significant demands on Embecta's management and administrative and operational resources, including accounting resources.

Moreover, to comply with these requirements, Embecta anticipates that it will need to migrate its systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. Embecta expects to incur additional annual expenses related to these steps, and those expenses may be significant. If Embecta is unable to upgrade its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, its ability to comply with its financial reporting requirements and other rules that apply to reporting companies under the Securities Exchange Act of 1934, as amended, could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Following the separation, Embecta will be required to rebrand its products to remove the BD name, which could adversely affect its ability to attract and maintain end users.

Embecta has historically marketed its products using the "BD" name and logo, which is a globally recognized brand with a strong reputation for high-quality products among people with diabetes and Embecta's distributors. Under the terms of the agreements to be entered into with BD in connection with the separation and distribution, Embecta will obtain a temporary license to use the "BD" and "Becton Dickinson" name and logo on its products, certain legal entities and relevant regulatory registrations. Following the expiration of this license, Embecta will be required to rebrand and update, as applicable, its products and regulatory registrations using the "Embecta" name or other names and marks and remove the "BD" name and logo on its products. These new names and brands may not benefit from the same recognition and association with product quality as the BD name, which could adversely affect Embecta's ability to attract and maintain its customers, who may prefer to use products with a stronger brand identity.

Embecta will incur debt obligations that could adversely affect its business and profitability and its ability to meet other obligations.

Embecta expects to complete one or more financing transactions on or prior to the completion of the distribution, including the issuance of $500 million in senior secured 5.000% notes, the incurrence of $1,150 million of term loans and the entry into a $500 million revolving credit facility (which Embecta anticipates will be undrawn as of the completion of the distribution). Prior to the completion of the distribution, it is expected that Embecta will pay a dividend to BD equal to all Embecta's cash and cash equivalents in excess of $160 million.

However, prior to the completion of the distribution, BD may cause Embecta to issue the Exchange Debt. BD would use any such Exchange Debt to retire some of BD's existing debt in a Debt-For-Debt Exchange. The Exchange Debt could take the form of senior secured notes or term loans, as determined by BD, but regardless of the form, Embecta anticipates that it will have outstanding indebtedness equal to approximately $1,650 million. Therefore, if the Exchange Debt takes the form of additional secured notes (above the $500 million in senior secured 5.000% notes noted above), then Embecta would reduce the aggregate principal amount of term loans incurred on or prior to the completion of the distribution so that the aggregate term loans outstanding as of the distribution would be equal to (a) $1,150 million *less* (b) the aggregate principal amount of any such Exchange Debt. In addition, in the event that BD determines that Embecta shall issue the Exchange Debt to BD, then the amount of the cash dividend from Embecta to BD shall be equal to (1) the amount of the cash dividend from Embecta to BD that would have been made if the Exchange Debt had not been issued, *less* (2) the aggregate principal amount of any such Exchange Debt. We refer to the cash dividend, taken together with the issuance of the Exchange Debt, if applicable, as the "Embecta-to-BD Distribution Transaction" As a result of such transactions, Embecta anticipates having approximately $1,650 million in aggregate principal amount of indebtedness outstanding upon completion of the distribution (not including undrawn commitments of $500 million under its revolving credit facility). Embecta may also incur additional indebtedness in the future.

This significant amount of debt could potentially have important consequences to Embecta and its debt and equity investors, including:

- requiring a substantial portion of its cash flow from operations to make interest payments;
- making it more difficult to satisfy debt service and other obligations;
- increasing the risk of a future credit ratings downgrade of its debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing its vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow its business;
- limiting Embecta's flexibility in planning for, or reacting to, changes in its business and the industry;
- placing Embecta at a competitive disadvantage relative to its competitors that may not be as highly leveraged with debt; and
- limiting Embecta's ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase ordinary shares.

To the extent that Embecta incurs additional indebtedness, the foregoing risks could increase. In addition, Embecta's actual cash requirements in the future may be greater than expected. Its cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and Embecta may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance its debt.

Embecta may be affected by significant restrictions under the tax matters agreement, including on its ability to engage in certain corporate transactions for a two-year period after the distribution, in order to avoid triggering significant tax-related liabilities.

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its shareholders as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. Under the tax matters agreement that Embecta will enter into with BD, Embecta will be restricted from taking certain actions that could prevent the distribution and certain related transactions from being tax-free for U.S. federal income tax purposes, or could result in certain other taxes to BD. In particular, under the tax matters agreement, for the two-year period

following the distribution, as described in the section entitled "Certain Relationships and Related Party Transactions—Agreements with BD—Tax Matters Agreement," Embecta will be subject to specific restrictions on its ability to pursue or enter into acquisition, merger, sale and redemption transactions with respect to Embecta stock. These restrictions may limit Embecta's ability to pursue certain strategic transactions or other transactions that it may believe to be in the best interests of its stockholders or that might increase the value of its business. In addition, under the tax matters agreement, Embecta may be required to indemnify BD and its affiliates against any tax-related liabilities incurred by them as a result of the acquisition of Embecta's stock or assets, even if Embecta does not participate in or otherwise facilitate the acquisition, or as a result of certain other actions taken by Embecta. Furthermore, Embecta will be subject to specific restrictions on discontinuing the active conduct of its trade or business, the issuance or sale of stock or other securities (including securities convertible into Embecta stock but excluding certain compensatory arrangements), and sales of assets outside the ordinary course of business. Such restrictions may reduce Embecta's strategic and operating flexibility. For more information, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with BD —Tax Matters Agreement."

Embecta may be held liable to BD if it fails to perform under its agreements with BD, and the performance of such services may negatively affect Embecta's business and operations.

In connection with the separation, Embecta and BD will enter various agreements, including a separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, a cannula supply agreement, contract manufacturing agreements, an intellectual property matters agreement, a logistics services agreement, distribution agreements and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the performance of certain services by each company for the benefit of the other for a period of time after the separation. If Embecta does not satisfactorily perform its obligations under these agreements, it may be held liable for any resulting losses suffered by BD, subject to certain limits. In addition, during the transition services periods under the transition services agreement, Embecta's management and employees may be required to divert their attention away from its business in order to provide services to BD, which could adversely affect Embecta's business.

Embecta's agreements with BD may be on terms that are less beneficial to Embecta than the terms may have otherwise been from unaffiliated third parties.

The agreements that Embecta will enter into with BD in connection with the separation include the separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, a cannula supply agreement, contract manufacturing agreements, an intellectual property matters agreement, a logistics services agreement, distribution agreements and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements were prepared in the context of the separation while Embecta was still a wholly owned subsidiary of BD. Accordingly, during the period in which the terms of those agreements were prepared, Embecta did not have an independent Board of Directors or a management team that was independent of BD. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties.

If there is a determination that the distribution or certain related transactions are taxable for U.S. federal income tax purposes, BD and its shareholders could incur significant tax liabilities, and Embecta could incur significant liabilities pursuant to its indemnification obligations under the tax matters agreement.

BD has received a private letter ruling from the IRS to the effect that, among other things, the separation and the distribution will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355, and 361 of the Code. It is a condition to the distribution that BD receive (i) a private letter ruling from the IRS, satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of its outside tax counsel, satisfactory to the BD Board of Directors, regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code and such opinion has not been withdrawn or rescinded. The opinion of its outside tax counsel will be, and

the private letter ruling is, based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of BD and Embecta, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations and statements are or become inaccurate or incomplete, or if any such undertaking is not complied with, BD may not be able to rely on the opinion of its outside tax counsel or the private letter ruling, and the conclusions reached therein could be jeopardized.

Notwithstanding BD's receipt of a private letter ruling from the IRS and the opinion of its outside tax counsel, the IRS could determine on audit that the distribution or certain related transactions are taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements and undertakings upon which the private letter ruling or the opinion was based are incorrect or have been violated, or if it disagrees with any of the conclusions in the opinion. Accordingly, notwithstanding BD's receipt of a private letter ruling from the IRS and the opinion of its outside tax counsel, there can be no assurance that the IRS will not assert that the distribution or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge. In the event the IRS were to prevail in such a challenge, BD and BD's shareholders could incur significant tax liabilities. For a discussion of the U.S. federal income tax consequences of the distribution, see "Material U.S. Federal Income Tax Consequences."

Under the tax matters agreement that Embecta will enter into with BD, Embecta generally will be required to indemnify BD for any taxes incurred by BD that arise as a result of any representations made by Embecta being inaccurate or Embecta taking or failing to take, as the case may be, certain actions, including in each case those provided in connection with the private letter ruling from the IRS or the opinion of its outside tax counsel that result in the distribution and certain related transactions failing to qualify as tax-free for U.S. federal income tax purposes or result in certain other taxes to BD. Any such indemnification could materially adversely affect Embecta's financial condition, results of operations and cash flows. For a more detailed discussion, see "Certain Relationships and Related Party Transactions—Agreements with BD—Tax Matters Agreement."

The transfer to Embecta of certain contracts, permits and other assets and rights may require the consents, approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, Embecta may not be entitled to the full benefit of such contracts, permits and other assets and rights, which could increase its expenses or otherwise harm its business and financial performance.

The separation and distribution agreement will provide that certain contracts, permits and other assets and rights are to be transferred from BD or its subsidiaries to Embecta or its subsidiaries in connection with the separation. The transfer of certain of these contracts, permits and other assets and rights may require consents or approvals of third parties or governmental authorities or provide other rights to third parties. In addition, in some circumstances, Embecta and BD are joint beneficiaries of contracts, and Embecta and BD may need the consents of third parties in order to split or separate the existing contracts or the relevant portion of the existing contracts to Embecta or BD.

Some parties may use consent requirements or other rights to seek to terminate contracts or obtain more favorable contractual terms from us, which, for example, could take the form of price increases. This could require us to expend additional resources in order to obtain the services or assets previously provided under the contract, or require us to seek arrangements with new third parties or obtain letters of credit or other forms of credit support. If Embecta is unable to obtain required consents or approvals, it may be unable to obtain the benefits, permits, assets and contractual commitments that are intended to be allocated to Embecta as part of its separation from BD, and Embecta may be required to seek alternative arrangements to obtain services and assets that may be more costly and/or of lower quality. The termination or modification of these contracts or permits or the failure to timely complete the transfer or separation of these contracts or permits could negatively affect Embecta's business, financial condition, results of operations and cash flows.

The closing of the separation may be delayed in certain jurisdictions, or not occur at all, due to local regulatory requirements, which may adversely affect Embecta's business, financial condition and results of operations.

The closing of the transfer of certain assets related to the diabetes care business in certain jurisdictions, including China, Mexico, and Italy, as contemplated by the separation and distribution agreement may not occur

at or prior to the distribution, if at all, due to local regulatory requirements. If Embecta is unable to obtain required approval of local regulators or otherwise comply with such local regulatory requirements to effect the separation in these jurisdictions, it may be unable to obtain the assets that are intended to be allocated to Embecta as part of its separation from BD. The failure to timely complete the transfer or these local assets could negatively affect Embecta's business, financial condition, results of operations and cash flows.

Until the distribution occurs, the BD Board of Directors has sole and absolute discretion to change the terms of the separation in ways which may be unfavorable to Embecta, including to determine not to effect the distribution at all.

On February 1, 2022, the BD Board of Directors approved the distribution of all of Embecta's issued and outstanding shares of common stock on the basis of one share of Embecta common stock for every five shares of BD common stock held as of the close of business on March 22, 2022, the record date for the distribution. The distribution is subject to the satisfaction of certain conditions (or waiver by BD in its sole and absolute discretion), including that there shall be no other events or developments existing or having occurred that, in the judgment of BD's Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions. See "The Separation and Distribution—Conditions to the Distribution." The separation is complex in nature, and unanticipated developments or changes, including changes in the law, the macroeconomic environment, competitive conditions of BD's markets, regulatory approvals or clearances, the uncertainty of the financial markets and challenges in executing the separation and distribution, could delay or prevent the completion of the proposed separation or distribution, or cause the separation and distribution to occur on terms or conditions that are different or less favorable than expected. Additionally, the BD Board of Directors, in its sole and absolute discretion, may decide not to proceed with the distribution at any time prior to the distribution date.

No vote of BD shareholders is required in connection with the distribution. As a result, if the distribution occurs and you do not want to receive Embecta common stock in the distribution, your sole recourse will be to divest yourself of your BD common stock prior to the distribution date.

No vote of BD shareholders is required in connection with the distribution. Accordingly, if the distribution occurs and you do not want to receive Embecta common stock in the distribution, your only recourse will be to divest your BD common stock prior to the record date for the distribution or, following the record date, in the "regular way" market for BD common stock before the distribution date.

Satisfaction of indemnification obligations following the distribution could have a material adverse effect on Embecta's financial condition, results of operations and cash flows.

Pursuant to the separation and distribution agreement and certain other agreements Embecta expects to enter into with BD in connection with the separation and distribution, BD will agree to indemnify Embecta for certain liabilities, and Embecta will agree to indemnify BD for certain liabilities as discussed further in "Certain Relationships and Related Party Transactions." Indemnities that Embecta will be required to provide BD could negatively affect Embecta's business, particularly with respect to indemnities provided in the tax matters agreement.

The indemnity from BD may not be sufficient to protect Embecta against the full amount of such liabilities if, for example, BD is not able to fully satisfy its indemnification obligations. Moreover, even if Embecta ultimately succeeds in recovering from BD any amounts for which it is held liable, Embecta may be temporarily required to bear these losses itself, requiring Embecta to divert cash that would otherwise have been used in furtherance of its operating business. In addition, third parties could also seek to hold Embecta responsible for any of the liabilities that BD has agreed to retain. Each of these risks could have a material adverse effect on Embecta's financial condition, results of operations and cash flows.

Risks Related to Embecta Common Stock

There is no assurance that an active trading market for Embecta common stock will develop or be sustained after the distribution and, following the distribution, the price of Embecta common stock may fluctuate significantly.

A public market for Embecta common stock does not currently exist. We anticipate that on or prior to the record date for the distribution, trading of shares of Embecta common stock will begin on a "when-issued" basis

and will continue through the distribution date. However, we cannot guarantee that an active trading market will develop or be sustained for Embecta common stock after the distribution, nor can we predict the prices at which shares of Embecta common stock may trade after the distribution. Similarly, we cannot predict the effect of the distribution on the trading prices of Embecta common stock or whether the combined market value of one share of Embecta common stock and five shares of BD common stock will be less than, equal to or greater than the market value of five shares of BD common stock prior to the distribution.

The prices at which shares of Embecta common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The market price of Embecta common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in Embecta's operating results;
- changes in earnings estimated by securities analysts or Embecta's ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which Embecta operates;
- actual or anticipated fluctuations in commodities prices;
- analyst research reports, recommendation and changes in recommendations, price targets, and withdrawals of coverage;
- whether Embecta common stock is included in stock market indices; and
- domestic and worldwide economic conditions.

A significant number of shares of Embecta common stock may be sold following the distribution, which may cause the Embecta stock price to decline.

Any sales of substantial amounts of Embecta common stock in the public market or the perception that such sales might occur, in connection with the distribution or otherwise, may cause the market price of Embecta common stock to decline. Upon completion of the distribution, we expect that Embecta will have an aggregate of approximately 57 million shares of common stock issued and outstanding. Shares distributed to BD shareholders in the separation will generally be freely tradeable without restriction or further registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), except for shares owned by Embecta's "affiliates," as that term is defined in Rule 405 under the Securities Act.

We cannot predict whether large amounts of Embecta common stock will be sold in the open market following the distribution. We are also unable to predict whether a sufficient number of buyers of Embecta common stock to meet the demand to sell shares of Embecta common stock at attractive prices would exist at that time.

Your percentage of ownership in Embecta may be diluted in the future.

In the future, your percentage ownership in Embecta may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that Embecta will grant to its directors, officers and employees. Embecta employees will have stock-based awards that correspond to shares of Embecta common stock after the distribution as a result of conversion of their BD stock-based awards. Such awards will have a dilutive effect on Embecta's earnings per share, which could adversely affect the market price of Embecta common stock. From time to time, Embecta will issue additional stock-based awards to its employees under its employee benefits plans.

Embecta cannot guarantee the timing, amount or payment of dividends on its common stock.

Embecta currently expects that it will pay a regular cash dividend of approximately 20% as a percentage of post-separation net income. The timing, declaration, amount and payment of any dividends following the

separation and distribution, however, will be within the discretion of Embecta's Board of Directors, and will depend upon many factors, including Embecta's financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of Embecta's debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets, and other factors deemed relevant by Embecta's Board of Directors. Moreover, Embecta cannot guarantee that it will pay any dividends in the future or continue to pay any dividends if it commences paying dividends, and cannot guarantee the amount of any such dividends. For more information, see the section entitled "Dividend Policy."

Anti-takeover provisions could enable Embecta's Board of Directors to resist a takeover attempt by a third-party and limit the power of its shareholders.

Embecta's amended and restated certificate of incorporation and amended and restated bylaws will contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with Embecta's Board of Directors rather than to attempt a hostile takeover. These provisions are expected to include, among others:

- until the annual stockholder meeting in 2026, Embecta's Board of Directors will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors, which could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- as long as the Board of Directors is classified, Embecta directors can be removed by stockholders only for cause;
- vacancies occurring on the Board of Directors can only be filled by a majority of the remaining members of Embecta's Board of Directors or by a sole remaining director;
- stockholders do not have the right to call a special meeting or act by written consent;
- Embecta's Board of Directors have the power to designate and issue, without any further vote or action by the Embecta stockholders, shares of preferred stock from time to time in one or more series; and
- stockholders have to follow certain procedures and notice requirements in order to present certain proposals or nominate directors for election at stockholder meetings.

In addition, Embecta will be subject to Section 203 of the Delaware General Corporate Law, which could have the effect of delaying or preventing a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

We believe these provisions will protect Embecta shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with Embecta's Board of Directors and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make Embecta immune from takeovers; however, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that Embecta's Board of Directors determines is not in the best interests of Embecta and its shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. See "Description of Embecta Capital Stock—Anti-Takeover Effects of Governance Provisions."

In addition, an acquisition or further issuance of Embecta common stock could trigger the application of Section 355(e) of the Code, causing the distribution to be taxable to BD. For a discussion of Section 355(e) of the

Code, see "Material U.S. Federal Income Tax Consequences." Under the tax matters agreement, Embecta would be required to indemnify BD for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that Embecta shareholders may consider favorable.

Embecta's amended and restated certificate of incorporation will designate the state courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Embecta shareholders, which could discourage lawsuits against Embecta and its directors and officers.

Embecta's amended and restated certificate of incorporation will provide that, unless Embecta (through approval of the Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action brought on behalf of Embecta, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of Embecta to Embecta or Embecta's stockholders, (3) any action asserting a claim against Embecta or any director or officer or other employee of Embecta arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Delaware General Corporation Law ("DGCL") or Embecta's amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action asserting a claim against Embecta or any director or officer or other employee of Embecta governed by the internal affairs doctrine, which is a conflict of laws principle which recognizes that only one state should have the authority to regulate a corporation's internal affairs or (5) any action as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware. If and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). These exclusive forum provisions will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. These exclusive forum provisions will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. Although Embecta believes the exclusive forum provision benefits it by providing increased consistency in the application of law in the types of lawsuits to which it applies, the provision may limit the ability of Embecta stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with Embecta or its directors or officers, and it may be costlier for Embecta stockholders to bring a claim in the Court of Chancery of the State of Delaware than other judicial forums, each of which may discourage such lawsuits against Embecta and its directors and officers.

Although Embecta's amended and restated certificate of incorporation will include this exclusive forum provision, it is possible that a court could rule that this provision is inapplicable or unenforceable. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, Embecta may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect its business, results of operations and financial condition.

The combined post-separation value of five shares of BD common stock and one share of Embecta common stock may not equal or exceed the pre-distribution value of five shares of BD common stock.

As a result of the separation, the trading price of shares of BD common stock immediately following the separation may be different from the "regular-way" trading price of such shares immediately prior to the separation because the trading price of BD common stock will no longer reflect the value of the diabetes care business. There can be no assurance that the aggregate market value of five shares of BD common stock and one share of Embecta common stock following the separation will be higher than, lower than or the same as the market value of five shares of BD common stock if the separation did not occur.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This information statement and other materials BD and Embecta have filed or will file with the SEC (and oral communications that BD or Embecta may make) contain or incorporate by reference statements that relate to future events and expectations and, as such, constitute forward-looking statements under the securities laws. Forward-looking statements include those containing such words as “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “guidance,” “intends,” “may,” “outlook,” “plans,” “projects,” “seeks,” “sees,” “should,” “targets,” “will,” “would,” or other words of similar meaning. All statements that reflect BD’s or Embecta’s expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts relating to discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth and cash flows) and statements regarding BD’s or Embecta’s strategy for growth, future product development, regulatory clearances and approvals, competitive position and expenditures. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although each of BD and Embecta believes that the expectations reflected in any forward-looking statements it makes are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to:

- Competitive factors that could adversely affect Embecta’s operations, including new product introductions by Embecta’s competitors, the development of new technologies, lower cost producers that create pricing pressure and consolidation resulting in companies with greater scale and market presence than Embecta.
- Any events that adversely affect the sale or profitability of one of Embecta’s key products or the revenue delivered from sales to its key customers.
- Any failure by BD to perform of its obligations under the various separation agreements to be entered into in connection with the separation and distribution, including the cannula supply agreement.
- Increases in operating costs, including fluctuations in the cost and availability of oil-based resins and other raw materials, as well as certain components, used in its products, the ability to maintain favorable supplier arrangements and relationships, and the potential adverse effects of any disruption in the availability of such items.
- Changes in reimbursement practices of governments or private payers or other cost containment measures.
- The adverse financial impact resulting from unfavorable changes in foreign currency exchange rates, as well as regional, national and foreign economic factors, including inflation, deflation, and fluctuations in interest rates, and their potential effect on its operating performance.
- The impact of changes in U.S. federal laws and policy that could affect fiscal and tax policies, healthcare and international trade, including import and export regulation and international trade agreements. In particular, tariffs or other trade barriers imposed by the United States or other countries could adversely impact its supply chain costs or otherwise adversely impact its results of operations.
- Any impact of the COVID-19 pandemic on Embecta’s business, including disruptions in its operations and supply chains.
- New or changing laws and regulations affecting Embecta’s domestic and foreign operations, or changes in enforcement practices, including laws relating to healthcare, environmental protection, trade, monetary and fiscal policies, taxation (including tax reforms that could adversely impact multinational corporations) and licensing and regulatory requirements for products.

- The expected benefits and timing of the separation, and the risk that conditions to the separation will not be satisfied and/or that the separation will not be completed within the expected time frame, on the expected terms or at all.
- A determination by the IRS that the distribution or certain related transactions are taxable.
- The possibility that any consents or approvals required in connection with the separation will not be received or obtained within the expected time frame, on the expected terms or at all.
- Expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness.
- The risk that dissynergy costs, costs of restructuring transactions and other costs incurred in connection with the separation will exceed its estimates.
- The impact of the separation on its businesses and the risk that the separation may be more difficult, time-consuming or costly than expected, including the impact on its resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

There can be no assurance that the separation, distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the discussions under "Risk Factors" in this information statement. Any forward-looking statement speaks only as of the date on which it is made, and each of BD and Embecta assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

THE SEPARATION AND DISTRIBUTION

Background

On May 6, 2021, BD announced that it intended to separate its diabetes care business into an independent public company. BD announced that it intended to effect the separation through a pro rata distribution to the BD shareholders of all of the common stock of a new entity formed to hold the assets and liabilities associated with the diabetes care business.

In connection with the distribution, it is expected that:

- BD will complete the internal reorganization as a result of which Embecta will become the parent company of the BD operations comprising, and the entities that will conduct, the diabetes care business;
- Embecta will incur approximately $1,650 million of indebtedness, consisting of $500 million in senior secured 5.000% notes and a $1,150 million term loan facility, and will enter into a $500 million revolving credit facility (which Embecta anticipates will be undrawn as of the completion of the distribution); and
- using a portion of the proceeds from one or more financing transactions on or prior to the completion of the distribution, Embecta will pay a dividend to BD equal to all Embecta's cash and cash equivalents in excess of $160 million. BD is expected to receive approximately $1,440 million from such transactions in connection with the separation and distribution (which amount is subject to change).

On February 1, 2022, the BD Board of Directors approved the distribution of all of Embecta's issued and outstanding shares of common stock on the basis of one share of Embecta common stock for every five shares of BD common stock held as of the close of business on March 22, 2022, the record date for the distribution.

Subject to the satisfaction or waiver of the conditions to the distribution (see "—Conditions to the Distribution" below), at 12:01 a.m., Eastern Time, on April 1, 2022, the distribution date, each BD shareholder holding outstanding BD shares as of March 22, 2022 will receive one share of Embecta common stock for every five shares of BD common stock held at the close of business on the record date for the distribution, as described below. BD shareholders will receive cash in lieu of any fractional shares of Embecta common stock that they would have received after application of this ratio. Upon completion of the separation, each BD shareholder as of the record date will continue to own shares of BD common stock and will receive a proportionate share of the outstanding common stock of Embecta to be distributed. You will not be required to make any payment, surrender or exchange your BD common stock or take any other action to receive your shares of Embecta common stock in the distribution. The distribution of Embecta common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see "—Conditions to the Distribution" below.

Reasons for the Separation

The BD Board of Directors believes that the separation of the diabetes care business from BD into an independent, publicly traded company is in the best interests of BD and its shareholders for a number of reasons, including:

- *Enhanced Focus on Strategic, Operational Drivers to Accelerate Revenue Growth*. The separation will permit each of BD and Embecta to more effectively pursue its own distinct operating priorities and strategies, and will enable the management teams of each of the two companies to focus on strengthening its core business and addressing its unique operating and other needs, and pursue distinct and targeted opportunities for long-term growth and profitability.

- *More Efficient Resource and Capital Allocation to Pursue Each Company's Strategic Goals.* The separation will permit each of BD and Embecta to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The separation will also allow each business to more effectively pursue its own distinct capital structures and capital allocation strategies. In addition, after the separation, the diabetes care business will no longer be required to compete internally with BD's other businesses for capital and other corporate resources. As an independent entity, Embecta will be free to invest its strong capital generation for its own organic and inorganic opportunities in order to accelerate growth and expand its leadership for the benefit of patients and to drive shareholder value.
- *Targeted Investment Opportunity.* The separation will allow each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business, and will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.
- *Creation of Independent Equity Currencies.* The separation will create independent equity securities for Embecta, affording Embecta direct access to the capital markets, enabling it to use its own industry-focused stock to consummate future acquisitions or other transactions. As a result, Embecta will have more flexibility to capitalize on its unique strategic opportunities.
- *Employee Incentives, Recruitment and Retention.* The separation will allow Embecta to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with its specific growth objectives, financial goals and business performance. In addition, the separation will allow incentive structures and targets at Embecta to be better aligned with its business. Similarly, recruitment and retention for Embecta will be enhanced by more consistent talent requirements across its business, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with its core business activities, principles and risks of each company.

The BD Board of Directors also considered a number of potentially negative factors in evaluating the separation, including:

- *Risk of Failure to Achieve Anticipated Benefits of the Separation.* The anticipated benefits of the separation may not be achieved for a variety of reasons, including, among others: the separation will demand significant management resources and require significant amounts of management's time and effort; and following the separation, Embecta's business may be more susceptible to market fluctuations and other adverse events than if it were still a part of BD because Embecta's business will be less diversified than BD's businesses prior to the completion of the separation.
- *Loss of Scale and Increased Administrative Costs.* As a part of BD, Embecta currently takes advantage of BD's size and purchasing power in procuring certain goods and services. After the separation, as a standalone company, Embecta may be unable to obtain these goods and services at prices or on terms as favorable as those currently obtained by BD for the diabetes care business. In addition, as part of BD, Embecta benefits from certain functions performed by BD, such as accounting, tax, legal, human resources and other general and administrative functions. After the separation, BD will not perform these functions for Embecta, other than certain functions that will be provided for a limited time pursuant to the transition services agreement, and, because of Embecta's smaller scale as a standalone company, its cost of performing such functions could be higher than the amounts reflected in its historical combined financial statements.

In determining to pursue the separation, the BD Board of Directors concluded the potential benefits of the separation outweighed the foregoing factors. See the section entitled "Risk Factors" included elsewhere in this information statement.

Formation of Embecta

Embecta was formed in Delaware on July 8, 2021 for the purpose of holding BD's diabetes care business. As part of the plan to separate the diabetes care business from the remainder of BD's businesses, in connection with the internal reorganization, BD plans to transfer the equity interests of certain entities and the assets and liabilities of the diabetes care business to Embecta prior to the distribution.

When and How You Will Receive the Distribution

With the assistance of Computershare, and subject to the satisfaction or waiver of the conditions to the distribution, BD expects to distribute Embecta common stock at 12:01 a.m., Eastern Time, on April 1, 2022, the distribution date, to all holders of outstanding BD common stock as of the close of business on March 22, 2022, the record date for the distribution. Computershare, which currently serves as the transfer agent and registrar for BD common stock, will serve as the settlement and distribution agent in connection with the distribution and the transfer agent and registrar for Embecta common stock.

If you own BD common stock as of the close of business on the record date for the distribution, Embecta common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you in direct registration form or to your bank or brokerage firm on your behalf. If you are a registered holder, Computershare will then mail you a direct registration account statement that reflects your shares of Embecta common stock. If you hold your BD shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Embecta shares. Direct registration form refers to a method of recording share ownership when no physical share certificates are issued to shareholders, as is the case in this distribution. If you sell BD common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of Embecta common stock in the distribution.

Commencing on or shortly after the distribution date, if you hold physical share certificates that represent your BD common stock and you are the registered holder of the shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of Embecta common stock that have been registered in book-entry form in your name.

Most BD shareholders hold their common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm is said to hold the shares in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your BD common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Embecta common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

Transferability of Shares You Receive

Shares of Embecta common stock distributed to holders in connection with the distribution will be transferable without registration under the Securities Act, except in certain cases for shares received by persons who may be deemed to be Embecta's affiliates. Persons who may be deemed to be Embecta's affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with Embecta, which may include certain of its executive officers or directors. Securities held by Embecta's affiliates will be subject to resale restrictions under the Securities Act. Embecta's affiliates will be permitted to sell shares of Embecta common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

Number of Shares of Embecta Common Stock You Will Receive

For every five shares of BD common stock that you own at the close of business on March 22, 2022, the record date for the distribution, you will receive one share of Embecta common stock on the distribution date. No

fractional shares of Embecta common stock will be distributed. Instead, if you are a registered holder, Computershare will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by BD or Embecta, will determine when, how, and through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either BD or Embecta and the distribution agent is not an affiliate of either BD or Embecta. Neither Embecta nor BD will be able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts paid in lieu of fractional shares.

The net cash proceeds of these sales of fractional shares will be taxable for U.S. federal income tax purposes. See “Material U.S. Federal Income Tax Consequences” for an explanation of certain material U.S. federal income tax consequences of the distribution. If you hold physical certificates for shares of BD common stock and are the registered holder, you will receive a check from the distribution agent in an amount equal to your pro rata share of the net cash proceeds of the sales. Embecta estimates that it will take approximately two weeks from the distribution date for the distribution agent to complete the distribution of the net cash proceeds. If you hold your shares of BD common stock through a bank or brokerage firm, your bank or brokerage firm will receive, on your behalf, your pro rata share of the net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

Treatment of Equity-Based Compensation

In connection with the separation, equity-based awards granted by BD that are outstanding immediately prior to the separation will be treated as follows:

Stock Appreciation Rights

Stock Appreciation Rights Held by Embecta Employees. Each award of BD stock appreciation rights held by an Embecta employee will be converted into an award of stock appreciation rights with respect to Embecta common stock. The exercise price of, and number of shares subject to, each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation.

Stock Appreciation Rights Held by BD Employees and Former Employees. Each award of BD stock appreciation rights held by a BD employee or former employee who does not transfer to Embecta (a “BD Employee”) will continue to relate to BD common stock, provided that the exercise price of, and number of shares subject to, each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation.

Time Vesting Units

Time Vesting Units Held by Embecta Employees and Embecta Non-Employee Directors. Each award of BD time-vesting units held by an Embecta employee will be converted into an award of time-vesting units with respect to Embecta common stock. The number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation. Each

unvested award of BD time-vesting units held by a BD Non-Employee Director who will become an Embecta Non-Employee Director immediately following the separation will be prorated with respect to the Non-Employee Director's time served at BD from the grant date through the separation and vested immediately prior to the separation, such that the prorated portion of such award will participate in the distribution.

Time Vesting Units Held by BD Employees and BD Non-Employee Directors. Each award of BD time-vesting units held by a BD Employee or a BD Non-Employee Director (other than a Non-Employee Director transferring to Embecta) will continue to relate to BD common stock, provided that the number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation.

Performance-Based Restricted Share Units

Performance-Based Restricted Share Units Held by Embecta Employees. Prior to the separation, the BD Board of Directors will determine the level of performance achieved with respect to each BD performance-based restricted share unit award and the number of shares of BD common stock subject to such BD performance-based restricted share unit award, which awards will be treated as follows (and the remaining shares of BD common stock subject to such BD performance-based restricted share unit awards shall be forfeited). Each award of BD performance-based restricted share units held by an Embecta employee will be converted into an award of time-vesting units with respect to Embecta common stock. The number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation, except that the performance conditions will no longer apply.

Performance-Based Restricted Share Units Held by BD Employees. Each award of BD performance-based restricted share units held by a BD Employee will continue to relate to BD common stock, provided that the number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original BD award as measured immediately before and immediately after the separation, subject to rounding. Such adjusted award will otherwise continue to have the same terms and conditions that applied to the original BD award immediately prior to the separation, subject to any adjustment to performance goals that the Compensation and Human Capital Committee of the BD Board of Directors (the "BD Compensation Committee") may make in order to reflect the impact of the separation.

Internal Reorganization

As part of the separation, and prior to the distribution, BD and its subsidiaries expect to complete an internal reorganization in order to transfer to Embecta the diabetes care business. The internal reorganization is expected to include various restructuring transactions pursuant to which (1) the operations, assets and liabilities of BD and its subsidiaries used to conduct the diabetes care business will be separated from the operations, assets and liabilities of BD and its subsidiaries used to conduct the BD Business and (2) such diabetes care business operations, assets and liabilities will be contributed, transferred or otherwise allocated to Embecta or one of its direct or indirect subsidiaries. These restructuring transactions may take the form of asset transfers, mergers, demergers, dividends, contributions and similar transactions, and may involve the formation of new subsidiaries in U.S. and non-U.S. jurisdictions to own and operate the diabetes care business or BD Business in such jurisdictions.

As part of this internal reorganization, BD will contribute to Embecta certain liabilities and certain assets, including equity interests in entities that are expected to conduct the diabetes care business.

Following the completion of the internal reorganization and immediately prior to the distribution, Embecta will be the parent company of the entities that are expected to conduct the diabetes care business, and BD will remain the parent company of the entities that are expected to conduct the BD Business.

Results of the Distribution

After the distribution, Embecta will be an independent, publicly traded company. The actual number of shares to be distributed will be determined at the close of business on March 22, 2022, the record date for the distribution, and will reflect BD shares issued under BD equity compensation awards and BD share repurchases between the date on which the BD Board of Directors declares the distribution and the record date for the distribution. The distribution will not affect the number of outstanding shares of BD common stock or any rights of BD shareholders. No fractional shares of Embecta common stock will be distributed.

Embecta will enter into a separation and distribution agreement and other related agreements with BD to effect the separation and to provide a framework for its relationship with BD after the separation, and will enter into certain other agreements, including a transition services agreement, a tax matters agreement, an employee matters agreement, a cannula supply agreement, contract manufacturing agreements, an intellectual property matters agreement, a logistics services agreement, distribution agreements and other transaction agreements. See "Certain Relationships and Related Party Transactions." These agreements will provide for the allocation between Embecta and BD of the assets, employees, liabilities and obligations (including, among others, investments, property and employee benefits and tax-related assets and liabilities) of BD and its subsidiaries attributable to periods prior to, at and after Embecta's separation from BD and will govern the relationship between Embecta and BD subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements, see the sections entitled "Risk Factors —Risks Related to the Separation and Distribution" and "Certain Relationships and Related Party Transactions."

Market for Embecta Common Stock

There is currently no public trading market for Embecta common stock. Embecta's common stock has been approved for listing subject to official notice of issuance on Nasdaq under the symbol "EMBC." Embecta has not and will not set the initial price of its common stock. The initial price will be established by the public markets.

Embecta cannot predict the price at which its common stock will trade after the distribution. In fact, the combined trading prices, after the distribution, of one share of Embecta common stock and five shares of BD common stock may not equal the "regular-way" trading price of five shares of BD common stock immediately prior to the distribution. The price at which Embecta common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for Embecta common stock will be determined in the public markets and may be influenced by many factors. See "Risk Factors—Risks Related to Embecta Common Stock."

Incurrence of Debt

Embecta expects to complete one or more financing transactions on or prior to the completion of the distribution, including the issuance of $500 million in senior secured 5.000% notes, the incurrence of $1,150 million of term loans and the entry into a $500 million revolving credit facility (which Embecta anticipates will be undrawn as of the completion of the distribution). Prior to the completion of the distribution, it is expected that Embecta will pay a dividend to BD equal to all Embecta's cash and cash equivalents in excess of $160 million.

However, prior to the completion of the distribution, BD may cause Embecta to the Exchange Debt. BD would use any such Exchange Debt to retire some of BD's existing debt in a Debt-For-Debt Exchange. The Exchange Debt could take the form of senior secured notes or term loans, as determined by BD, but regardless of the form, Embecta anticipates that it will have outstanding indebtedness equal to approximately $1,650 million. Therefore, if the Exchange Debt takes the form of additional secured notes (above $500 million in senior secured 5.000% notes noted above), then Embecta would reduce the aggregate principal amount of term loans incurred on or prior to the completion of the distribution so that the aggregate term loans outstanding as of the distribution would be equal to (a) $1,150 million *less* (b) the aggregate principal amount of any such Exchange Debt. In addition, in the event that BD determines that Embecta shall issue the Exchange Debt to BD, then the amount of the cash dividend from Embecta to BD shall be equal to (1) the amount of the cash dividend from Embecta to BD

that would have been made if the Exchange Debt had not been issued, *less* (2) the principal amount of any such Exchange Debt. We refer to the cash dividend, taken together with the issuance of the Exchange Debt, if applicable, as the "Embecta-to-BD Distribution Transaction." For more information, see "Description of Material Indebtedness."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date for the distribution and continuing up to and including through the distribution date, BD expects that there will be two markets in BD common stock: a "regular-way" market and an "ex-distribution" market. BD common stock that trades on the "regular-way" market will trade with an entitlement to Embecta common stock distributed in the distribution. BD common stock that trades on the "ex-distribution" market will trade without an entitlement to Embecta common stock distributed in the distribution. Therefore, if you sell shares of BD common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of Embecta common stock in the distribution. If you own BD common stock at the close of business on the record date and sell those shares on the "ex-distribution" market up to and including through the distribution date, you will receive the shares of Embecta common stock that you are entitled to receive pursuant to your ownership of shares of BD common stock as of the record date.

Furthermore, beginning on or shortly before the record date for the distribution and continuing up to and including the distribution date, Embecta expects that there will be a "when-issued" market in its common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for Embecta common stock that will be distributed to holders of BD common stock on the distribution date. If you owned BD common stock at the close of business on the record date for the distribution, you would be entitled to Embecta common stock distributed pursuant to the distribution. You may trade this entitlement to shares of Embecta common stock, without trading the BD common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to Embecta common stock will end, and "regular-way" trading with respect to Embecta common stock will begin.

Conditions to the Distribution

The distribution will be effective at 12:01 a.m., Eastern Time, on April 1, 2022, which is the distribution date, provided that the conditions set forth in the separation and distribution agreement have been satisfied (or waived by BD in its sole and absolute discretion), including, among others:

- the SEC shall have declared effective the registration statement of which this information statement forms a part; there being no order suspending the effectiveness of the registration statement in effect; and no proceedings for such purposes having been instituted or threatened by the SEC;
- this information statement shall have been made available to the holders of record of shares of BD common stock at the close of business on March 22, 2022, the record date for the distribution;
- BD shall have received (i) a private letter ruling from the IRS, satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of BD's outside tax counsel satisfactory to the BD Board of Directors, regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code and such opinion not having been withdrawn or rescinded;
- the transfer of assets and liabilities (other than certain delayed assets and liabilities) contemplated to be transferred from BD to Embecta on or prior to the distribution shall have occurred in accordance with the separation and distribution agreement and the transfer of assets and liabilities (other than certain delayed assets and liabilities) contemplated to be transferred from Embecta to BD on or prior to the distribution having occurred in accordance with the separation and distribution agreement;

- the BD Board of Directors shall have received one or more opinions from an independent appraisal firm acceptable to BD to the as to the solvency and financial viability of BD and Embecta after the completion of the distribution, in each case, in a form and substance acceptable to the BD Board of Directors in its sole and absolute discretion and such opinions not having been withdrawn or rescinded;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities or blue sky laws and the rules and regulations thereunder shall have been taken or made and, where applicable, having become effective or been accepted by the applicable government authority;
- certain agreements contemplated by the separation and distribution agreement shall have been executed;
- there shall be no order, injunction or decree issued by any government authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions being pending or in effect;
- the shares of Embecta common stock to be distributed shall have been accepted for listing on Nasdaq, subject to official notice of distribution;
- Embecta shall have completed the debt financing arrangements described under “Description of Material Indebtedness,” and BD shall be satisfied in its sole and absolute discretion that, as of the effective time of the distribution, BD will have no further liability under such debt financing arrangements;
- Embecta shall have completed the Embecta-to-BD Distribution Transaction described under “Description of Material Indebtedness—Embecta-to-BD Distribution Transaction”; and
- there shall be no other events or developments existing or having occurred that, in the judgment of BD’s Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, the distribution and the other related transactions.

BD will have the sole and absolute discretion to determine (and change) the terms of, and whether to proceed with, the distribution and, to the extent it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio. BD will also have sole and absolute discretion to waive any of the conditions to the distribution. BD does not intend to notify its shareholders of any modifications to the terms of the separation or distribution that, in the judgment of its Board of Directors, are not material. The BD Board of Directors might consider material such matters as significant changes to the distribution ratio and the assets to be contributed or the liabilities to be assumed in the separation. To the extent that the BD Board of Directors determines that any modifications by BD materially change the material terms of the distribution, BD will notify BD shareholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K or circulating a supplement to this information statement.

DIVIDEND POLICY

Embecta currently expects that it will initially pay a regular cash dividend after the separation and distribution. Embecta expects that its targeted dividend payout will be approximately 20% as a percentage of post-separation net income. The timing, declaration, amount of and payment of any dividends following the separation and the distribution will be within the discretion of Embecta's Board of Directors and will depend upon many factors, including its financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of its debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by Embecta's Board of Directors. Moreover, Embecta cannot guarantee that it will pay any dividends in the future or continue to pay any dividends if it commences paying dividends, and cannot guarantee the amount of any such dividends.

CAPITALIZATION

The following sets forth the capitalization of Embecta as of September 30, 2021, on a historical and a pro forma basis, which reflects the adjustments described in more detail in the notes to the unaudited pro forma financial information included elsewhere in this information statement. You should read this information in conjunction with those notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited annual combined financial statements and the related notes included elsewhere in this information statement.

Millions of dollars	Historical	Pro Forma
Assets:		
Cash and cash equivalents	$ —	$ 265
Liabilities:		
Deferred income taxes and other liabilities	$ 30	$ 62
Long-term debt	—	1,600
Equity:		
Net parent investment	865	—
Common stock	—	1
Accumulated deficit	—	(632)
Accumulated other comprehensive loss	(271)	(271)
Total Capitalization	$ 624	$ 760

Embecta has not yet finalized its post-distribution capitalization. Pro forma financial information reflecting the Diabetes Care Business (as defined in the historical combined financial statements included in this information statement) post-distribution capitalization will be included in an amendment to this information statement.

SELECTED HISTORICAL COMBINED FINANCIAL DATA OF THE DIABETES CARE BUSINESS

References in this section to the "Diabetes Care Business" refer to the Diabetes Care Business as defined in the historical combined financial statements included in this information statement.

The following table presents the selected historical combined financial data for the Diabetes Care Business as of and for each of the fiscal years in the three-year period ended September 30, 2021. The selected combined statement of income data for the fiscal years ended September 30, 2021, 2020 and 2019, and the selected combined balance sheet data as of September 30, 2021, 2020 and 2019, was derived from the Diabetes Care Business' audited combined financial statements.

The historical results do not necessarily indicate the results expected for any future period. The selected historical combined financial data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Diabetes Care Business' audited combined financial statements and accompanying notes, which are included elsewhere in this information statement. Per share data has not been presented since Embecta was wholly owned by BD during the periods presented.

Selected Combined Financial Data

Millions of dollars	2021	2020	2019
Combined Statement of Income Data:			
Revenues	$1,165	$1,086	$1,109
Cost of products sold(1)	365	323	323
Selling and administrative expense	240	215	222
Research and development expense	63	61	62
Other operating expense	5	—	—
Other income (expense), net	3	(1)	(2)
Income Before Income Taxes	495	486	500
Income tax provision	80	58	68
Net Income	415	428	432
Combined Balance Sheet Data:			
Working capital	$ 128	$ 98	$ 122
Property, Plant and Equipment, Net	451	462	457
Total Assets	788	738	745
Total Parent's Equity	594	572	577

(1) Includes costs for inventory purchases from related parties of $41 million in 2021, $38 million in 2020 and $37 million in 2019.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

References in this section to the "Diabetes Care Business" refer to the Diabetes Care Business as defined in the historical combined financial statements included in this information statement.

On February 1, 2022, the BD Board of Directors approved the distribution of all of Embecta's issued and outstanding shares of common stock on the basis of one share of Embecta common stock for every five shares of BD common stock held as of the close of business on March 22, 2022, the record date for the distribution. The following unaudited pro forma condensed combined financial information of Embecta gives effect to the separation and related adjustments in accordance with Article 11 of Regulation S-X under the Exchange Act.

The unaudited condensed combined pro forma balance sheet gives effect to the separation and related transactions described below as if they had occurred on September 30, 2021. The unaudited pro forma adjustments to the condensed combined statement of income for the year ended September 30, 2021 assume that the separation and related transactions occurred as of October 1, 2020.

The unaudited pro forma condensed combined statement of income for the year ended September 30, 2021 has been derived from the audited historical combined statement of income for the year ended September 30, 2021. The unaudited pro forma condensed combined balance sheet as of September 30, 2021 has been derived from the audited historical combined balance sheet as of September 30, 2021.

The unaudited pro forma condensed combined statement of income for the year ended September 30, 2021 and the unaudited pro forma condensed combined balance sheet as of September 30, 2021 have been prepared to reflect adjustments to the Diabetes Care Business's historical combined financial information for transaction and autonomous entity adjustments.

Transaction accounting adjustments that reflect the effects of Embecta's legal separation from BD include the following adjustments:

- the adjustment for differences between the Diabetes Care Business's historical combined balance sheet prepared on a carve-out basis and assets and liabilities expected to be contributed by BD to Embecta;
- the effect of Embecta's anticipated post-separation capital structure, including the incurrence of indebtedness of approximately $1,650 million in aggregate principal amount and the distribution of approximately $1,440 million of the proceeds thereof to BD in connection with the separation and distribution (which amount is subject to change);
- the distribution of 100% of Embecta's issued and outstanding common stock by BD in connection with the separation; and
- other adjustments as described in the notes to these unaudited pro forma condensed combined financial statements.

Autonomous entity adjustments, which consist of contractual obligations or other changes necessary to reflect the operations and financial position of Embecta as an autonomous entity, include the following adjustments:

- the impact of, and transactions contemplated by the cannula supply agreement, the contract manufacturing agreements, the transition services agreement, the logistics services agreement, distribution agreements and other transaction agreements described under "Certain Relationships and Related Party Transactions"; and
- other adjustments as described in the notes to these unaudited pro forma condensed combined financial statements.

Management's adjustments, which consist of reasonably estimated transaction effects expected to occur include the following adjustment:

- The impact of, and transactions contemplated by, the separation and distribution agreement and the employee matters agreement; and
- the incremental costs Embecta expects to incur as a standalone entity.

The unaudited pro forma financial information is for informational purposes only and does not purport to represent what the Diabetes Care Business's financial position and results of operations actually would have been had the separation and distribution occurred on the dates indicated, or to project the Diabetes Care Business' financial performance for any future period. The audited annual combined financial statements of the Diabetes Care Business have been derived from BD's historical accounting records and reflect certain allocation of expenses. All of the allocations and estimates in such financial statements are based on assumptions that BD's management believes are reasonable. The historical combined financial statements of the Diabetes Care Business do not necessarily represent the financial position or results of operations of the Diabetes Care Business had it been a standalone company during the periods or at the dates presented. As a result, autonomous entity adjustments have been reflected in the pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information should be read in conjunction with the Diabetes Care Business's historical combined financial information, "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement. The unaudited pro forma condensed combined financial information constitutes forward-looking information and is subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this information statement.

DIABETES CARE BUSINESS
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

	Year ended September 30, 2021				
($ in millions except per share data)	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Revenues	$ 1,165	$ —		$ 23	(f)	$ 1,188
Cost of products sold	365	—		45	(f), (g), (k)	410
Gross profit	800	—		(22)		778
Operating expenses:						
Selling and administrative expense	240	—		1	(k)	241
Research and development expense	63	—		—		63
Other operating expense	5	—		—		5
Total operating costs and expenses	308	—		1		309
Operating Income	492	—		(23)		469
Other income (expense), net	3	—		(1)	(h)	2
Interest expense	—	(72)	(c)	—		(72)
Income before income taxes	495	(72)		(24)		399
Income tax (benefit) provision	80	(18)	(d)	(3)	(d)	59
Net Income	$ 415	$ (54)		$ (21)		$ 340
Basic earnings per common share					(i)	5.88
Diluted earnings per common share					(j)	5.87
Weighted-average common shares outstanding						
Basic					(i)	57,857,600
Diluted					(j)	57,899,097

See accompanying notes to unaudited condensed combined pro forma financial information.

DIABETES CARE BUSINESS
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

($ in millions except per share data)	As of September 30, 2021 Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Assets						
Current assets						
Cash and cash equivalents	$ —	$ 160	(b)	$ 105	(h)	$ 265
Trade receivables, net	151	—		(106)	(h)	45
Inventories	118	(1)	(a)	—		117
Prepaid expenses and other	23	—		—		23
Total current assets	292	159		(1)		450
Property, plant and equipment, net	451	(61)	(a)	—		390
Goodwill and other intangible assets	34	—		—		34
Other assets	11	—		45	(d), (g)	56
Total assets	$ 788	$ 98		$ 44		$ 930
Liabilities and Equity						
Current liabilities						
Accounts payable	$ 54	$ (1)	(a)	$ —		$ 53
Accrued expenses	82	—		4	(g)	86
Salaries, wages and related items	28	3	(a)	—		31
Income taxes	—	—		—		—
Total current liabilities	164	2		4		170
Deferred income taxes and other liabilities	30	—		32	(d), (g)	62
Long-term Debt	—	1,600	(b)	—		1,600
Equity						
Net parent investment	865	(865)	(e)	—		—
Common stock, $0.01 par value, 250,000,000 shares authorized; 57,857,600 shares issued and outstanding on a pro forma basis	—	1	(e)	—		1
Retained earnings (Accumulated deficit)	—	(640)	(e)	8	(e)	(632)
Accumulated other comprehensive income (loss)	(271)	—		—		(271)
Total equity	594	(1,504)		8		(902)
Total liabilities and equity	$ 788	$ 98		$ 44		$ 930

See accompanying notes to unaudited condensed combined pro forma financial information.

Notes to the Unaudited Pro Forma Condensed Combined Financial Information

This note should be read in conjunction with other notes in the unaudited pro forma condensed combined financial information.

(a) The historical combined financial statements of the Diabetes Care Business include operations which are related to other BD businesses that will be retained by BD but which reside in a certain legal entity that will be contributed to Embecta in connection with the spin-off, or, historically owned by BD that will transfer to Embecta in connection with the spin-off. Pro forma adjustments, including income tax, represent the impact of removing the historical results of such retained BD businesses from the Diabetes Care Business' historical combined financial statements, or, including assets expected to be transferred over that were not historically reflected in the historical combined financial statements.

(b) The unaudited pro forma condensed combined balance sheet reflects financing transactions of $1,650 million, consisting of a $1,150 million term loan and $500 million senior secured 5.000% notes, and related debt issuance costs of $50 million which are to be incurred in connection with the separation and distribution. Approximately $1,440 million of the proceeds of such financing is expected to be distributed to BD in connection with the separation and distribution (which amount is subject to change). As a result of such transactions, Embecta will have approximately $160 million in cash upon completion of the distribution. The terms of such indebtedness will be finalized prior to the separation and distribution.

Additionally, we expect to complete financing of a $500 million senior secured 5-year revolving credit facility following the separation. The revolving credit facility will be available for immediate working capital needs and for general corporate purposes, but we do not expect to draw upon the revolving credit facility upon consummation of the spin-off, and as a result, we expect there to be $500 million available for borrowings thereafter. As such, impacts related to the credit revolver facility are not reflected in the unaudited pro forma financial information.

(c) The interest rate on the $1,150 million term loan is 300 basis points over the secured overnight financing rate ("SOFR"), with a SOFR floor of 50 basis points. The interest rate on the $500 million senior secured notes is 5.000%. The unaudited pro forma condensed combined statement of income reflects estimated interest expense of $72 million related to the debt and amortization of related deferred issuance costs. Interest expense was calculated assuming constant debt levels throughout the periods. A 1/8% change to these annual rates would change interest expense by approximately $2 million for the year ended September 30, 2021.

(d) Reflects the tax effects of the pro forma adjustments at the applicable statutory income tax rates and the expected effects of the tax matters agreement.

(e) Represents the reclassification of BD's net investment in Embecta, and other pro forma adjustments, into Retained earnings (Accumulated deficit) and Common stock, par value $0.01 per share, to reflect the number of shares of Embecta common stock expected to be outstanding at the distribution date. The assumed number of outstanding shares of common stock is based on the number of BD common shares of 289,288,000 outstanding as of September 30, 2021 and an assumed pro-rata distribution ratio of one share of Embecta common stock for every five shares of BD common stock.

(f) Reflects the effect of manufacturing and supply agreements (MSAs) and reverse manufacturing and supply agreements (RMSAs) that Embecta and BD have entered into or will enter into prior to the separation. The historical combined statement of income reflects certain Revenues and Cost of products sold relating to the inventory transfers pursuant to newly entered or pre-existing intercompany arrangements between Embecta and BD during the year ended September 30, 2021.

The net adjustment to Revenues of $23 million reflects sales price adjustments relating to such historical inventory transfers to reflect the pricing terms set forth in the RMSAs, as well as additional revenue for other inventory transfers from Embecta to BD that will commence upon the separation pursuant to the RMSAs.

The Cost of products sold adjustment represents $42 million to reflect the approximate cost of products sold by BD to Embecta at the supply price set forth in the MSAs, as well as additional costs incurred for other inventory transfers from BD to Embecta that will commence upon the separation pursuant to the MSAs. Historically, inventory transfers from BD to Embecta were recorded at cost.

(g) The unaudited pro forma condensed combined balance sheet reflects $45 million in Other Assets, $4 million in Accrued expenses and $41 million in Deferred Income Taxes and Other Liabilities related to additional right-of-use assets and corresponding lease liabilities for real estate leases that Embecta and BD have entered into or will enter into prior to the separation and distribution. In addition, the net adjustment to Cost of products sold on the unaudited pro forma condensed combined statement of income includes a decrease of $2 million to remove lease expense reflected in the historical Cost of products sold amount and an increase of $4 million to record lease expense relating to real estate leases that Embecta and BD have entered into or will enter into prior to the separation and distribution.

(h) The unaudited pro forma condensed combined balance sheet reflects a decrease of $106 million in Trade receivables, net and an increase of $105 million in Cash and cash equivalents estimated in connection with Embecta's Trade Receivables Factoring Agreement with BD. Embecta owes BD a service fee calculated as 0.1% of annual revenues related to countries subject to the agreement, in exchange for the services provided by BD pursuant to the Trade Receivables Factoring Agreement.

(i) The number of Embecta shares used to compute basic earnings per share for the year ended September 30, 2021 is based on the number of shares of Embecta common stock assumed to be outstanding on September 30, 2021, using the distribution ratio of one share of Embecta common stock for every five shares of BD common stock outstanding. The number of BD shares used to determine the assumed distribution reflects the number of shares of BD common stock outstanding as of the balance sheet date.

(j) The number of shares used to compute diluted earnings per share is based on the number of basic shares of Embecta common stock as described in Note (i) above, plus incremental shares assuming exercise of dilutive outstanding options and vesting of other outstanding stock awards expected to be issued by Embecta as replacement awards to BD employees transferring to Embecta.

(k) The unaudited pro forma condensed combined statement of income reflects an estimated $2 million of incremental costs for services to be provided by BD to Embecta under the transition services agreement with respect to information technology services, research and development, distribution, support for operations, legal, payroll, finance, tax and accounting, general administrative services and other support services.

(l) The adjustment shown below include those that management deemed necessary for a fair statement of the pro forma information presented. The adjustment includes forward-looking information.

As a standalone public company, Embecta expects to incur certain costs in addition to those incurred pursuant to the transition services agreement as described in (k) above, including costs resulting from:

- separation and establishment of Embecta as a standalone company including incremental costs related to commercial, manufacturing, research and business support functions that were previously shared with BD;
- costs to perform financial reporting and regulatory compliance, and costs associated with accounting, auditing, accounting advisory, legal and tax counsel, information technology, human resources, investor relations, risk management, treasury and other general and administrative related functions;
- one-time expenses associated with the separation of Embecta's information systems and facilities, transfers of certain assets to BD, hiring costs associated with increasing Embecta's workforce, regulatory filings for the transfer of product registrations, development of Embecta's brand, and other matters;
- compensation including new equity-based awards in connection with the separation;

- insurance premiums; and
- depreciation and amortization related to information technology infrastructure investments.

Embecta expects to incur approximately $89 million of expenses (including one-time expenses of approximately $56 million expected to be incurred within 12 months following the completion of the separation, as well as $33 million of estimated recurring expenses as a standalone public company), in addition to BD's corporate and shared costs allocated in the historical combined financial statements and the costs to be incurred pursuant to the transition services agreement that are included as an autonomous entity adjustment. The additional expenses have been estimated based on assumptions that Embecta management believes are reasonable. However, actual additional costs that will be incurred could be different from the estimates and would depend on several factors, including the economic environment and strategic decisions made in areas such as separation, manufacturing, selling and marketing, research and development, information technology and infrastructure. Additionally, the separation and distribution agreement will provide for the allocation between BD and Embecta of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution and set forth procedures for the administration of insured claims and related matters.

For the Year Ended September 30, 2021

Millions of dollars	
Unaudited pro forma condensed combined net income*	$ 340
Management's adjustments	(89)
Income tax benefit	10
Unaudited pro forma condensed combined net income after management's adjustments	$ 261
Basic earnings per share after management's adjustments	$4.51
Diluted earnings per share after management's adjustments	$4.51

* As shown in the Unaudited Pro Forma Condensed Combined Statement of Income

OUR BUSINESS

This section discusses Embecta's business assuming the completion of all of the transactions described in this information statement, including the separation. References to "we," "us," and "our" refer to the diabetes care business to be held by Embecta and its subsidiaries.

Overview

We are a leading global medical device company focused on providing solutions to improve the health and wellbeing of people living with diabetes. Over the 95-year history of our business, we believe that our products have become one of the most widely recognized and respected brands in diabetes management in the world. We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our business traces its origins to 1924, when BD developed the first dedicated insulin syringe. Since then, we have built a world-class organization with a unique manufacturing supply chain and commercial footprint, delivering over 7.6 billion units of diabetes injection devices globally in 2021. We generated revenues of $1,165 million, $1,086 million and $1,109 million in 2021, 2020 and 2019, respectively.

Diabetes is a serious chronic disease for which there is no known cure. According to the International Diabetes Federation (the "IDF"), approximately 537 million adults (aged 20-79) worldwide were living with diabetes in 2021, with the number projected to increase to 643 million adults by 2030. Diabetes can require complex, daily management or otherwise it can result in serious health conditions, including nerve damage, cardiovascular disease, acidosis, amputation, vision loss, kidney disease, seizure and death. The IDF estimates the annual global health expenditure for diabetes care was close to $1,000 billion in 2021 and will exceed this figure by 2030. Insulin therapy is the most common approach to diabetes management, and we estimate that approximately 90-120 million people require insulin therapy, and that 95% of those who are undergoing insulin therapy administer insulin through injection. Our products are primarily used to administer insulin, but they can also be used to administer other classes of injectable diabetes medications, such as GLP-1 agonists. Based on internal estimates, we believe the total addressable market for insulin administration devices is approximately $6 billion to $8 billion per year, based on the number of insulin-dependent individuals worldwide.

We have a broad portfolio of marketed products, including a variety of pen needles, syringes and safety devices, which are complemented by our proprietary digital applications designed to assist people with managing their diabetes. Our pen needles are sterile, single-use, medical devices, designed to be used in conjunction with insulin pens and are used to inject insulin or other diabetes medications. We also sell safety pen needles, which includes resin injection-molded shields on both ends of the cannula that automatically deploy to help prevent needlestick exposure and injury during injection and disposal. Our traditional and safety pen needles are compatible and frequently used with widely available pen injectors in the market today. In addition to pen needles, we sell sterile, single-use insulin syringes, which are used to inject insulin drawn from insulin vials. We also sell safety insulin syringes, which incorporates a manually activated sliding sleeve to help prevent needlestick exposure and injury during injection and disposal.

In addition to selling pen needles, syringes and safety devices, we seek to promote advances in diabetes care through thought leadership and engagement with the diabetes community, healthcare providers and other stakeholders. To foster connection with and offer support to people with diabetes, we launched our diabetes care app in 2018, which has been downloaded over 400,000 times. The diabetes care app serves as a channel for our support, education of and engagement with the diabetes community. We are also proud sponsors of key scientific seminars seeking to improve the management of diabetes. For example, we founded and sponsor the Forum for Injection Technique & Therapy Expert Recommendations (FITTER), which is the latest in a series of scientific seminars focused on improving the management of diabetes. FITTER seeks to promote evidence-based clinical best practice, safety and self-care of diabetes injectable and infusion therapies for improved health outcomes, well-being, lower healthcare costs and reduced burden on care providers and the wider society.

We believe that the technology and know-how incorporated into our products distinguishes them in a meaningful way from other products in the market in the minds of our end-user customers and healthcare providers. We have a track record of delivering innovation in diabetes care informed by our deep understanding of the needs of people with diabetes. For example, we were instrumental in the development and global commercialization of the pen needle, which revolutionized insulin delivery and today is the primary mode of insulin delivery globally. As an independent diabetes-focused entity, our research and development programs will be geared toward both incremental improvements in our existing products as well as the development of new products. For example, we are currently working on developing a potential insulin patch pump focused on serving the needs of people living with Type 2 diabetes. We anticipate this insulin patch pump will have an increased reservoir size to hold more insulin and a simplified delivery system compared to existing insulin patch pumps, and overall provide for an improved user experience. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. We are still in the process of designing and developing these products and, if and when we complete this process, we will need to apply for and obtain clearance from the FDA and similar regulatory authorities in jurisdictions outside of the United States for each product to market and sell any such product in the United States and abroad.

Our global manufacturing, commercial team and distribution networks enable us to produce and distribute our products to end users and healthcare providers in over 100 countries. We have three manufacturing sites located in Ireland, the United States and China. We believe that these manufacturing sites enable us to efficiently and consistently produce high-quality, safe and reliable products. Upon the separation, we also expect to have over 600 employees focused on commercialization activities, including general management, sales, marketing, digital, market access & development and insights & analytics, over 50% of whom will be in emerging markets within Eastern Europe, the Middle East, Africa, Latin America, Central and Southeast Asia and Mainland China. We will distribute our products through a variety of channels, including retail, hospitals, pharmacies and other institutional channels. Our commercial team and distribution networks enable us to reach a broad base of customers across the globe.

Our Competitive Strengths

We believe the following strengths position us with long-term competitive advantages:

- ***Pure-play leader in diabetes management, a significant and growing industry***. We currently manufacture over 7.6 billion units of injection devices annually and estimate that these devices serve 30 million end-user customers around the world. Based on our internal estimates, we believe that we provide injection devices to more people with diabetes globally than any other medical device company. As a chronic and progressive condition, diabetes affects the physical, emotional and social well-being of the affected individuals and their caregivers. Improper management can result in significant and long-term complications ranging from cardiovascular to renal and neurological diseases, further driving demand for effective products to help treat the disease. We believe the demand for injection devices will continue to grow due to an anticipated rise in people with diabetes and increased expenditures on diabetes care.
- ***Globally recognized franchise with 95-year history***. We believe that we have a reputation among people with diabetes and healthcare professionals around the world for making the highest quality insulin delivery products, including pen needles, insulin syringes and diabetes medication injection safety products. Our business traces its history to 1924, when BD became the first company to develop a dedicated insulin syringe. Since then, our business developed the world's first self-contained insulin syringe, the first safety-engineered syringe, the first 8mm, 5mm and 4mm pen needles and the first safety pen needle with dual protective shields, among other innovations. We believe that our business is recognized as the standard-bearer in pen needles, insulin syringes and diabetes medication injection safety products among people with diabetes and healthcare providers worldwide, and based on our internal estimates we believe we are the industry leader by volume for each of these products globally, including the industry leader by volume in pen needles in each of the United States, Canada, EMEA (which includes Europe, the Middle East and Africa), Latin America, China and the Central Asia, South Asia and Japan regions. Over the past several years, we have continued to invest in our core product franchises as

well as advocacy initiatives to enhance the lives of people with diabetes. Our FITTER education initiatives, focused around the importance of injection technique and user experience, have helped strengthen our franchise's reputation with patients, pharmacists, healthcare providers and healthcare institutions. We believe that these factors make us the needle of choice for first-time insulin-injection prescriptions, with strong conversion rates to long-term use and loyalty to the franchise.

- ***Geographically diversified revenue and strong cash flow generation supports future growth***. We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our sales provide us with a strong, stable and recurring revenue base that is geographically diversified, generating revenues of $1,165 million in fiscal year 2021, net income of $415 million and Adjusted EBITDA of $546 million, which represents a net income margin of approximately 35.6% and an Adjusted EBITDA margin of approximately 46.9%. In fiscal year 2021, approximately 48% of our total revenue was generated outside of the United States. In particular, our revenue in emerging markets represents a meaningful and rapidly growing share of our total revenue year over year. The combination of our scale and highly efficient operations results in strong cash flow generation. We anticipate our strong cash flow will enable us to continue to invest in our business both organically and inorganically through strategic partnerships and acquisitions to support our competitive position, drive future revenue growth and lead in driving innovation.
- ***Global sales and manufacturing infrastructure***. We have an extensive sales and manufacturing infrastructure to support our global presence. We sell products using a worldwide network of highly efficient, strategically placed direct and indirect sales representatives, which we believe is the single largest sales organization dedicated to pen needles and insulin syringes. We also have long-term relationships with manufacturers of diabetes medications, many major pharmacies, retail outlets and payors. Our varied distribution channels include individual practitioners, retail pharmacies, wholesalers and long-term acute care hospitals, and we believe that these channels help us reach a broad set of stakeholders in diabetes care. We also have an extensive manufacturing network supported by our global logistics infrastructure and close to 800,000 square feet of manufacturing space located across the United States, Ireland and China. For example, in China we currently have world-class manufacturing operations with dedicated sales and marketing teams to support our growing presence in the country. Overall, we believe that our extensive manufacturing infrastructure and global distribution network enable us to provide our customers with a reliable and consistent supply of quality products.
- ***History of innovation and pipeline of new products***. We have a holistic approach to innovation with a track record of developing devices that we believe have improved the standard of diabetes care. We have a pipeline of products under development, including those that may represent a potential improvement on existing products and entirely new products. For example, we are currently working on developing a potential insulin patch pump focused on serving the needs of people with Type 2 diabetes. We anticipate this insulin patch pump will have an increased reservoir size to hold more insulin and a simplified delivery system compared to existing insulin patch pumps, and overall provide for an improved user experience. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. Any such products, if and when developed, will require clearance from the FDA and similar regulatory authorities in jurisdictions outside of the United States before we can market and sell such products. We also focus on engaging with and supporting our user base. To this end, we have developed our diabetes care app, which provides users with an integrated diabetes self-management solution. Our diabetes care app has been downloaded over 400,000 times since its first launch in May 2018, and is available for download in the United States, Canada, Brazil, Germany, France, Mexico, Switzerland, Italy and Japan. We view digital engagement as a key vector for our future growth and we plan to continue to enhance our digital capabilities in coming years.
- ***Proven executive leadership and a highly motivated workforce***. We have assembled an experienced and accomplished senior management team. Our leadership and employees are energized by the

prospect of being part of a leading pure-play leader in the diabetes space and are excited at the prospect of driving continued innovation and improvements in the standard of diabetes care globally.

Our Business Strategy

We intend to continue to grow our business by pursuing the following core strategies:

- ***Increase use of our products through sales and marketing efforts, education and diabetes management solutions***. According to the IDF, approximately 537 million adults (aged 20-79) worldwide were living with diabetes in 2021, including those who are not yet diagnosed, and the number is projected to increase to 643 million adults by 2030 and 783 million adults by 2045. We seek to increase use of our products by bringing awareness of the effectiveness and quality of our products to the different players in this growing market. Our products are inspired and supported by the decades of research collaborations with healthcare providers and opinion leaders around the world, which has resulted in several clinical studies and peer-reviewed publications, ultimately informing global clinical practice guidelines. We plan to increase the awareness of the effectiveness and quality of our products through clinician engagement, sales and marketing efforts and digital solutions that foster education, engagement, adherence and personalized diabetes management solutions for people with diabetes. We also seek to grow the number of people we serve by leveraging our global employee base, world-class manufacturing facilities and unique insights into the needs of people with diabetes and caregivers to expand our global commercial impact and footprint.
- ***Expand our business in emerging markets***. Our net sales in emerging markets represented approximately 16% of our total net sales in fiscal year 2021 and the sales in emerging markets has grown approximately 4.9% per year since fiscal year 2018. We expect that demand for insulin administration products will continue to grow in emerging markets, such as the China region, India and Mexico, and we will continue to invest in our business in these regions. For example, we expect to use our large manufacturing infrastructure in China to supply other high-growth markets in South and Central Asia. In addition, we expect that over 50% of our employees focused on commercialization activities will be in emerging markets within Eastern Europe, the Middle East, Africa, Latin America, Central and Southeast Asia and Mainland China. We believe that our operating history in these countries, strong franchise, existing infrastructure, growing direct presence and country specific product portfolio will position us well in these high growth regions.
- ***Invest in next-generation products***. Over the past several years, we have invested in developing new products, including the next generation of pen needles, safety pen needles, syringes and safety syringes. As a pure-play leader in the diabetes space, we will have increased flexibility to invest capital in innovative new products to better serve the evolving needs of people with diabetes. For example, we are currently developing a potential insulin patch pump designed to be a fully integrated solution for people living with Type 2 diabetes. If successful, we believe this product could result in significant additional sales given that Type 2 diabetes constitutes approximately 90% of the overall diabetes population according to the IDF. We are also currently working on developing a redesigned safety pen needle and a new finer gauge pen needle for greater ease and comfort. We are also continuing to further develop our diabetes care app, which we believe helps us communicate with end-user customers more effectively and positions us uniquely in interconnected diabetes management solutions. Through this app, our goal is to provide end users with actionable insights to influence behavioral or lifestyle changes that improve glycemic control and improve quality of life and overall health. This digital offering increases connectivity to members of the diabetes community and provides a potential base for entry into the e-commerce channel.
- ***Pursue strategic partnerships and acquisition opportunities***. We intend to continue to explore strategic partnerships and acquisition opportunities that enable us to accelerate our growth. We intend to selectively pursue strategic opportunities that give us access to innovative technologies, complementary product lines or new markets, while retaining our focus on improving the user

experience and clinical outcomes and potentially other adjacent chronic conditions. Our independence will give us the freedom and flexibility to strategically allocate capital toward strategic partnerships and acquisitions to accelerate the growth of our business.

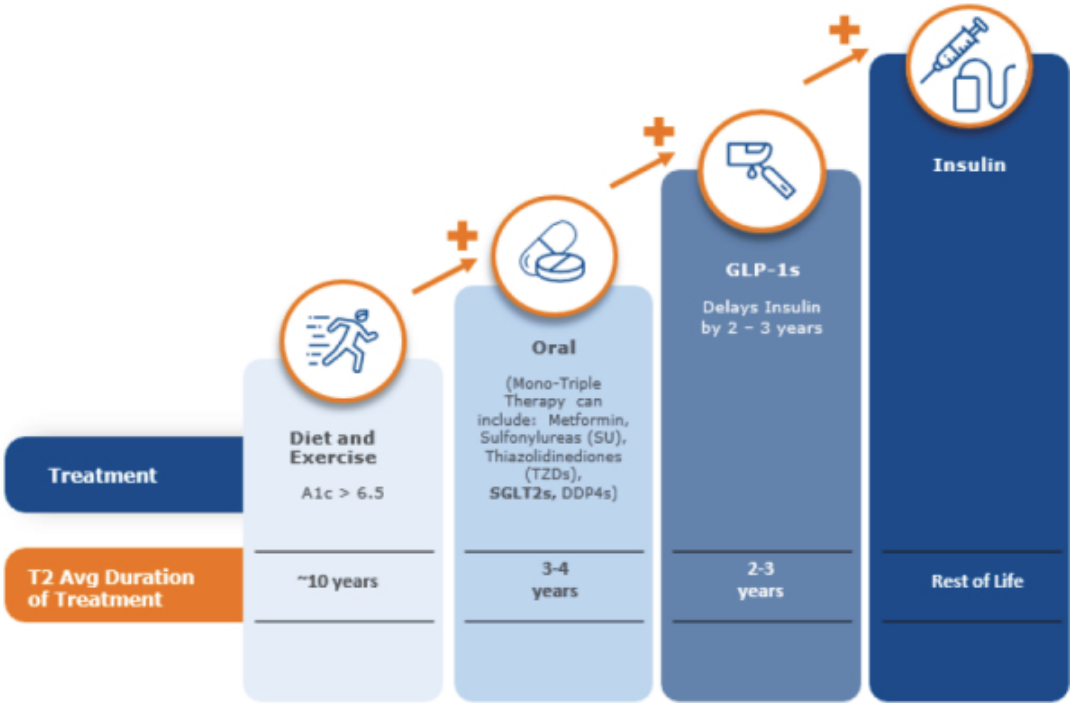
- ***Seek to provide other products and services that will be useful for diabetes management.*** As an independent, pure-play, diabetes focused business, we will seek opportunities to provide other products and services for diabetes management. We have a long and deep history of driving improvements in the standard of diabetes care from diagnosis to periodic monitoring, lifestyle improvements, therapy selection and administration of insulin. We believe a fully coordinated and integrated chronic disease management platform will drive improved care and outcomes for people with diabetes. Our diabetes care app positions us uniquely in interconnected diabetes management solutions, and we will seek opportunities to use it to sell other products and services that will be useful for diabetes management.

Our Industry

Diabetes is a serious chronic condition for which there is no known cure. Diabetes is caused either when the pancreas produces insufficient insulin or when the body cannot efficiently use insulin. Insulin is a peptide hormone produced by the pancreas. Insulin enables glucose formed by the breakdown of carbohydrates in food to enter cells to provide energy and regulates the storage of excess glucose in the liver in the form of glycogen. In healthy individuals, insulin levels will vary throughout the day depending, on among other things, activity levels, sleep and meals. This normal modulation of insulin levels helps to manage glucose levels in the bloodstream. The interplay between cellular absorption of glucose for energy and storage and release of stored excess glucose keeps blood glucose levels within a well-regulated range in healthy individuals. A lack of insulin or a body's insulin resistance causes a harmful dysregulation in blood glucose levels, known as hypo- (low) and hyper- (high) glycemia. Type 1 diabetes causes the body's immune system to attack cells responsible for producing insulin, reducing or eliminating an individual's ability to produce insulin. Type 2 diabetes is the most common form of diabetes (representing approximately 90% of cases) and is characterized by insulin resistance, or insufficient insulin production in the later stages of the disease. Left untreated or improperly managed, diabetes can lead to serious health problems, such as nerve damage, cardiovascular disease, acidosis, amputation, vision loss, kidney disease, seizure, and death.

According to the IDF, approximately 537 million adults (aged 20-79) worldwide were living with diabetes in 2021, including those who are not yet diagnosed, and the number is projected to increase to 643 million adults by 2030 and 783 million adults by 2045. The U.S. Centers for Disease Control and Prevention (the "CDC") estimates that approximately 34 million adults in the United States have diabetes, either diagnosed or undiagnosed. The IDF estimates annual global health expenditures on diabetes management was approximately $966 billion in 2021. There has been a considerable increase in global health expenditure due to diabetes, growing from $232 billion in 2007 to $966 billion in 2021, an increase of 316% over 15 years. The IDF anticipates the direct costs of diabetes will increase to $1.03 trillion by 2030 and $1.05 trillion by 2045. A 2020 study published in the *Journal of the American Medical Association* found that diabetes was the third highest healthcare expenditure in the United States, estimated at approximately $111 billion in 2016.

Individuals with Type 1 diabetes make little or no insulin and therefore all require daily insulin administration to control blood sugar levels. Individuals with Type 2 diabetes still make insulin and, depending on the status of their condition, may be able to control blood glucose levels with lifestyle changes (diet and exercise), oral medications, noninsulin injectable medications (such as glucagon-like peptide GLP-1 receptor agonists), insulin or a combination of these approaches, among others. While the initial care for Type 2 diabetes often does not include insulin therapy, Type 2 diabetes is progressive and people with Type 2 diabetes often eventually require insulin. According to the CDC, approximately 2.9 million adults aged 20 years or older—or 10.9% of all U.S. adults with diagnosed diabetes—start using insulin within a year of their initial diagnosis. Once an individual with Type 2 diabetes progresses to insulin therapy, they will typically use insulin for the remainder of their lifetime.



Our products are used to administer diabetes medication. The primary medication administered with our products is insulin; however, our pen needles can also be used for the administration of other classes of injectable diabetes medications such as GLP-1 agonists. The two primary means to administer insulin are injection through pen needles or syringes, and continuous subcutaneous insulin infusion, administered through insulin pumps. We estimate that approximately 95% of people with diabetes undergoing insulin therapy use injection to administer insulin. Of the people with diabetes globally who instead use pumps, a 2018 study published in *Diabetes Technology & Therapeutics* estimates that a majority are located in the United States or in Western Europe primarily due to the significantly higher price-point of infusion delivery. As a leading producer of diabetes medication injection devices, we produce products for the vast majority of people with diabetes who treat their disease through injection.

Based on internal estimates, we believe the total addressable market for insulin administration devices (including insulin injection and infusion) is approximately $6 billion to $8 billion per year, based on the number of insulin-dependent people with diabetes worldwide. Within the U.S. market, the CDC estimates there are 26.9 million people diagnosed with diabetes, over 1.5 million are diagnosed with Type 1 diabetes and 25.5 million are diagnosed with Type 2 diabetes. According to the CDC, of U.S. adults diagnosed with any type of diabetes, data from 2005-2012 shows that 14.1% treat their disease with insulin only, and 14.9% treat their disease with insulin combined with oral medication. The incidence of diabetes is expected to continue growing, with the Type 1 diabetes population in the United States growing at 5.5% per year, and the Type 2 diabetes diagnosed population in the United States growing at 4.5% per year, from 2000-2018, according to CDC estimates.

Our Products

We develop and manufacture products, devices and systems that promote adherence for people primarily suffering from Type 1 diabetes and Type 2 diabetes who require injections of insulin or other diabetes

medications to help control blood glucose variability. We primarily sell our products to wholesalers and distributors, which in turn sell these products to customers through retail and acute care hospitals, clinics and other institutional channels. We have a long history of driving innovation in products used to manage diabetes. In addition to seeking to provide a superior injection experience and increased safety, we strive to provide patients and healthcare providers with sound education and support across the diabetes care journey. Today, we are a leading provider of pen needles, syringes, safety devices and accessories, complemented by our proprietary digital applications. We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our brands of injection products are widely recognized and valued throughout the world for their ease of use, quality, availability and compatibility with widely used insulin pens. We break our operations into two geographies: (1) the United States and (2) International.

Our sales for each of our regions are as follows:

($ in millions)	FY 2021	FY 2020	FY 2019
United States	$609.4	$ 562.5	$ 569.5
International	$555.9	$ 523.2	$ 539.0

Conventional Pen Needles

Conventional pen needles are sterile, single-use, medical devices that are designed to be used in conjunction with third-party pen injectors to inject insulin and other diabetes medications. A pen needle is made up of a resin injection-molded hub with an integrated cannula.

BD Pen Needle & Shield

Insulin Pen

Since the introduction of the first insulin pen in 1985, insulin pens and pen needles have become the standard of care for insulin delivery. Of those undergoing insulin therapy, we estimate that 95% use injection therapy. We believe that our pen needles, which include BD's cannula technology, are widely recognized in key regions around the world for their industry-leading comfort and form factor, which allows for reduced pain during injection. Since the introduction of our first pen needle in 1991, our business has led the industry in driving ease of use and comfort through innovations such as shorter needle lengths, thinner needles, wider inner diameters, and contoured hubs.

In 2021, conventional pen needle sales accounted for $853 million, or approximately 73%, of our total sales, with approximately 48% of such sales generated outside of the United States.

Conventional Insulin Syringes

We produce insulin syringes that are used to inject insulin. These syringes, which include BD's cannula technology, are sterile, single-use medical devices that are used to draw insulin from a glass medication vial for administration subcutaneously to an individual. Despite the growing popularity of insulin pens and pen needles, insulin syringes remain important administration tools for individual use and in certain settings such as hospitals and other professional care environments due largely to cost, reimbursement and familiarity.

A conventional insulin syringe consists of a graduated barrel, plunger rod, and a cannula/hub assembly. We also manufacture and offer a variety of insulin syringes with differential features and capabilities, including safety syringes that incorporate a manually activated sliding sleeve to help to reduce needlestick exposure and injury during injection and disposal.

In 2021, insulin syringe sales accounted for $175 million, or approximately 15%, of our total sales, with approximately 54% of such sales generated outside of the United States.

Safety Injection Devices

We manufacture safety pen needles and syringes that incorporate sophisticated features designed to minimize the risks of needle stick injury and also include BD's cannula technology. We have long been an innovator in diabetes administration and our leadership in creating safety injection products is an example of such innovation. We are also currently working on developing a redesigned safety pen needle, as well as a new finer gauge pen needle that combines the design of Nano 2nd Gen with a 4mm 34G Extra-Thin Wall for greater ease and comfort of insulin delivery. We believe that by creating safe, easy-to-use products designed to prevent needlestick injury, our products have a reputation among healthcare professionals and end-users for industry-leading safety and ease of use. We have long served as a pioneer and thought leader in the safety space, helping to provide education, guidance, and promote adherence in diabetes management for patients and healthcare providers around the world.

In 2021, safety injection device sales accounted for $121 million, or approximately 10%, of our total sales, with approximately 43% of such sales generated outside of the United States.

BD AutoShield Duo™ Safety Pen Needle

BD SafetyGlide™ Insulin Syringe

Accessories

We sell a variety of accessories used by people with diabetes in conjunction with injection devices when administering insulin. These accessories include sharps disposal by mail containers used for the safe disposal of

used injection devices via prepaid box, alcohol swabs for the sterilization of skin at the injection site, and our BD Safe Clip™ system for needle clipping and storage. In 2021, accessory sales accounted for $16 million, or approximately 2%, of our total sales, with approximately 39% of such sales generated outside of the United States.

Research & Development

Over its 95-year history, we believe that our business has developed a reputation as an industry leader in innovative insulin delivery solutions. As an independent entity, we expect to continue this tradition of innovation by using our increased flexibility to invest capital to better address the evolving needs of people with diabetes. We have a robust organization to execute on our current and future product development projects, comprised of highly skilled employees whom collectively hold twelve PhDs, Doctorate or MD degrees and 25 employees who hold additional advanced degrees. We expect our product development efforts to focus on three main areas: injection, digital diabetes management and infusion.

Injection

We expect to continue to invest in potential improvements in safe and reliable insulin delivery, improved comfort, ease of use and simplified injection management. We also are currently investing in the development of a next-gen passive dual-ended pen needle with differentiated feature sets and additional functionality. Our goal is to include features that would differentiate this potential product from others, including features that would allow for single handed injection, reduction of environmental waste and reduction of needle stick injury compared to conventional pen needles.

Digital Diabetes Management

We are currently investing in the development of a potential integrated diabetes management system that aims to provide people with beneficial tools and support for diabetes self-management, while providing security, privacy and data management through hosting solutions, tools and components for digital health products. Since its launch in 2018, our diabetes care app is currently available in nine countries and has over 10,000 active users. We believe that this app is a potential predecessor to a larger integrated diabetes management system, and see a potential opportunity to expand our digital offerings, including areas such as integration with continuous glucose monitoring systems, safe and secure data sharing, remote patient monitoring, dosing calculators and food analyzers, among others. As an independent entity, we may pursue investments in these and other digitally enabled diabetes management tools.

Infusion

We are investing in the potential development of a continuous subcutaneous insulin infusion delivery system to provide the benefits of insulin pump therapy to a broader population, in particular those with Type 2 diabetes. We believe there is a significant unmet need for alternative treatment options for people with Type 2 diabetes who currently administer insulin via injection yet remain unable to effectively control their diabetes. Some third-party research over the last 10 years has demonstrated improved outcomes of subcutaneous insulin infusion devices over conventional injection insulin therapy. For example, a 2017 article published in *Diabetes Metabolism Research and Reviews* highlighted insulin pump treatment as a more physiologic method to managing insulin therapy, attaining desired glucose levels and reducing the dose requirement of insulin for people with Type 2 diabetes.

Although insulin pump therapy has the potential to improve glycemic control and quality of life in individuals with Type 2 diabetes, it is not widely used in this population due to the complexity, extensive training requirements, total daily dose limitations and reimbursement issues associated with current insulin pump devices. As a result, we estimate that globally approximately 1% of people with Type 2 diabetes use infusion via a pump to administer insulin. According to the Barclays Medical Supplies and Devices market model, however, the total addressable U.S. market for insulin pump devices for people with Type 2 diabetes could be between approximately $1.5 and $1.7 billion by 2030. We are seeking to develop a potential insulin infusion pump that can be more easily used by people with Type 2 diabetes.

Clinical Evidence and Thought Leadership

For the millions of people with diabetes who inject insulin every day, correct injection technique is critical for optimal control of diabetes and insulin use safety. We strategically collaborate with leading nonprofit organizations, advocacy groups and foundations to identify and invest in programs and initiatives that address unmet healthcare needs to minimize the burdens and complications associated with diabetes. Our products are inspired and supported by the decades of research collaborations with healthcare providers and opinion leaders around the world, which have resulted in several clinical studies and peer-reviewed publications, ultimately informing the clinical practice guidelines around the world.

Highlights of these clinical practice guidelines and studies include the following:

- The American Diabetes Association (the "ADA") published the 2021 Standards of Medical Care in Diabetes to provide clinicians, researchers and payors with recommendations and therapeutic actions to improve diabetes outcomes. Several publications based on our sponsored or supported studies are referenced by the ADA as a source of information for their recommendations.
- The medical journal, *Mayo Clinic Proceedings*, published insulin delivery recommendations for healthcare professionals caring for people using insulin, including the results from the largest injection technique survey ever performed for people with diabetes. The analysis of this landmark injection technique survey is the result of an international workshop that we sponsored.
- The *Current Medical Research and Opinion* journal assessed user experiences of our 4mm pen needle versus other thinner pen needles manufactured by our competitors in a prospective randomized trial. The journal found that our 4mm pen needles with a second-generation extra thin-wall cannula with redesigned hub were associated with less participant-reported injection pain and less perceived dose delivery force compared to the comparators.

Our Properties

We have three manufacturing facilities in Ireland, the United States and China. We believe that the size and location of these facilities allow us to serve a global customer base, reduce lead time and better control costs. Our Ireland manufacturing site, established in 1969, is the world's largest manufacturer of pen needles, producing 4.7 billion pen needles and over 199 million safety pen needles in fiscal year 2021 in a 295,000 square-foot facility. The U.S. leased manufacturing site in Nebraska, established in 1966, is the world's largest manufacturer of insulin syringes, producing over 2 billion syringes in fiscal year 2021 in approximately 275,000 square feet of manufacturing space. With over 50 years' experience at each of these two large sites, we believe our technology and know-how are highly differentiated and distinguish our products in a meaningful way for end users and healthcare providers. In addition, our China manufacturing site, established in 2015, produced over 739 million pen needles in fiscal year 2021, primarily for use in China and adjacent regions in a 200,000 square-foot facility.

Sales and Marketing

We currently employ sales and marketing personnel for the direct sale and marketing of our products throughout the world with teams located around the globe, including North America, EMEA (which includes Europe, the Middle East and Africa), Greater Asia (which includes China, Japan and other countries within Asia Pacific) and Latin America. Our sales and marketing teams focus on healthcare providers and the people with diabetes whom they serve, with an emphasis on endocrinologists or diabetologists, general or primary care physicians, diabetes nurse educators and nurse practitioners across hospitals, clinics, long-term care facilities, and retail pharmacies. Our field-based efforts are complemented by our internal or contract inside sales teams present around the world.

Upon the separation, we expect to have over 600 employees worldwide focused on commercialization activities, including general management, sales, marketing, digital, market access & development and insights &

analytics. We believe our commercialization capabilities will allow us to execute customer engagement strategies across preferred channels and aimed at healthcare providers, people with diabetes, and payors. We expect that our employees will build and maintain an integrated digital ecosystem, focus on omnichannel marketing experiences, and elevate portfolio-selling capabilities to coordinate engagement for our portfolio across all channels and geographies. Our branded engagement includes direct face-to-face selling, virtual engagement, digital marketing, social media, and our websites. In addition, we believe we have the knowledge, capabilities, and resources to achieve optimal local market access for our portfolio in a changing external environment.

Our sales and marketing efforts are diverse, with revenue generated across both hospital and retail pharmacy, and through both e-commerce and more conventional means. Within retail pharmacy, we have sales and marketing teams focused on larger national chains, local pharmacy chains and independent pharmacies as well as an online retail presence. Our sales efforts focus on self-payers and customers that benefit from reimbursement. Our distribution model varies across regions, but most frequently we distribute our products through retail pharmacies. As a result, select members of our regional sales teams are focused on managing relationships with key pharmacy customers. We also have distribution agreements with regional or national distributors (including wholesalers and medical suppliers) to ensure broad availability of our portfolio. In certain regions, we conduct business through government-related tenders, GPO contracts and business-to-business opportunities that our teams are structured to manage.

In the United States, our field-based sales representatives and inside sales team call on healthcare providers and retail pharmacies across all 50 states. We also have a dedicated sales team focused on safety products that call on major integrated delivery networks and long-term care facilities. Our retail account teams support the major national and regional retailers while our wholesale account teams focus on relationships with key distributors such as McKesson Corporation, Cardinal Health and AmerisourceBergen Drug Corporation. We also actively monitor formulary coverage, accessibility and affordability of our products on the health plans.

In EMEA, our regional commercial team partners with local country teams in select markets to ensure effective promotion of our products in approximately 70 countries where our products are sold and generally reimbursed. Country-specific business leaders and their respective sales and marketing teams are responsible for the day-to-day management of the local business and call on a range of prescribers, pharmacists, and hospital customers. We have dedicated sales representatives in select markets that focus on safety products and driving safety adoption in acute-care hospitals and other long-term care facilities. We rely upon distribution agreements in certain regions of the Middle East and Africa where we do not have a direct sales presence. We continue to seek opportunities for expansion through reimbursement in new markets and partnering with governmental authorities.

In Greater Asia, our products are sold across 19 countries through a variety of go-to-market models from direct to distributor-led markets. In countries where we have direct presence, country business leaders and their commercial teams call on healthcare providers and key retail pharmacies and work closely with our distribution partners to support the broader hospital / retail base. We rely on distribution partners in some of the emerging economies where we do not have a direct presence. Country teams are supported by a regional commercial team that provides omnichannel marketing expertise, insights & analytics, commercial excellence and market access support, while China has its own country commercial team to support sales execution. Expansion into new markets and omnichannel marketing activities, including direct-to-consumer engagement and e-commerce, are also aspects of the commercial model in Greater Asia.

In Latin America, Embecta has a variety of go-to-market models across 16 countries where our products are sold. In the countries where we have local operations, our business is typically generated through retail channels where our field-based representatives focus on marketing, selling and distributing our products across retail pharmacies and private hospitals across the region. The majority of our non-retail business is generated through annual or bi-annual tenders and contracts. In countries where we do not have local operations or a direct presence, we operate through distributors and other intermediaries who distribute our products to our end customers. Our teams in Latin America are also expanding into direct-to-consumer engagement and e-commerce.

As the number of people with diabetes continues to expand, we believe our scale, diverse in-market knowledge and world-class injection devices position us to continue growing our global franchises and provide high-quality products. As one of the largest pure-play diabetes companies in the world, our relationships span the continuum of stakeholders in the diabetes market, from partnerships with major insulin producers to deep recognition with prescribers, nurses, payers, and retailers that offer our products to our estimated 30 million users living around the world with diabetes.

Competition

The diabetes care industry is highly competitive, subject to rapid change and significantly affected by new product introductions and innovation. Although most people who use diabetes medications are on injection therapy, our products compete across a continuum of therapies and administration modalities designed to manage diabetes. We face competition and innovation from both new and existing companies pursuing new delivery devices, injection technologies, drugs, and therapeutics for the treatment of diabetes. For example, GLP-1s, sodium-glucose cotransporter SGLT-2 inhibitors and other novel diabetes therapies do not always require injections (or require fewer injections) using pen needles and insulin syringes and are prescribed to certain people with diabetes to help manage their disease. The impact of these therapies in most cases has been to defer insulin injection therapy for certain people with diabetes, although in many cases the diabetes will progress with time such that insulin injection therapy will ultimately be required.

We currently compete with other providers of diabetes drug injection devices. Companies with whom we currently compete in the diabetes drug injection business include Novo Nordisk, HTL-Strefa, Terumo Medical Corporation and Ypsomed. We also compete with providers of insulin pumps and other insulin administration devices. We compete in the marketplace based on a number of factors, including product quality and efficacy, price, service and reputation.

Intellectual Property

Intellectual property is a strategic priority for our business. We use a combination of patents, copyrights, trademarks, trade secrets, nondisclosure agreements and other measures to establish and protect our proprietary rights. In many cases, we own this intellectual property directly, but in other cases, we access technologies through a combination of license and supply arrangements.

While no single patent or patent family is material to our business, our pen needle and syringe products contain features that are protected by a portfolio of utility and design patents, including features related to safety, comfort and ease of use. In addition, potential features of our insulin patch pump technology, redesigned safety pen needle and finer gauge pen needle currently under development and software we market to end users for managing diabetes are covered by a variety of patents and patent applications. Generally, patent protection for these products and technologies is sought in the United States, Canada, Europe and Japan. We are not aware of any pending third-party claims or challenges that would be expected to materially affect the patent protection of these products or technologies.

After the separation, Embecta will either own, or BD will continue to own and provide Embecta a license to use, intellectual property rights necessary to operate our business as of the separation. BD will grant Embecta a license to use such intellectual property rights on the terms and conditions set forth in an intellectual property matters agreement, which are described under “Certain Relationships and Related Party Transactions—Intellectual Property Matters Agreement.”

Raw Materials and Components

We use a broad range of raw materials in the manufacture of our products. We purchase all our raw materials and certain components from third-party suppliers. The primary materials that comprise our pen needles and insulin syringes are cannula, plastic resin, adhesive, needle lubricants, rubber stoppers and packaging

material. We purchase some of these and other materials from a single or limited number of sources for reasons for quality assurance, cost-effectiveness and other reasons. In connection with the separation and prior to the distribution, we will enter into a cannula supply agreement with BD, whereby BD will sell to us cannulas for incorporation into our pen needles and syringes for sale within the diabetes care sector, as described in greater detail in "Certain Relationships and Related Party Transactions—Cannula Supply Agreement." After the separation, BD will retain ownership of all cannula production activities and all intellectual property rights of BD and its subsidiaries relating to cannula, the manufacture thereof and other critical cannula-related technology.

The design and formulation of certain of these materials and components is proprietary and the intellectual property rights may be owned exclusively by one party. In the case of sole sourced parts, we manage risk through holding inventory ourselves and at the supplier to ensure continuity of supply and low risk of disruption. We expect that, if necessary or appropriate, we will be able to enter into new arrangements with alternative suppliers. We work closely with all suppliers to ensure continuity of supply while maintaining high-quality and reliability, although no assurance can be given that these efforts will be successful. See "Description of Material Indebtedness" and "Risk Factors—Risks Related to Embecta's Business—Embecta will obtain components and raw materials for its products from third parties, including BD." These third parties may fail to perform under their agreements with Embecta, or there may be a reduction or interruption in the manufacturing and supply of these components and raw materials. Any such failure to perform or a reduction or interruption in supply could have a material adverse effect on Embecta's business and operations.

We have written agreements with a variety of suppliers that provide the resins, rubber stoppers, packaging, plungers, barrel rods, hubs and other components used in the manufacture of pen needles and our other products. We rely on sole suppliers for certain of these components, but, subject to pre-qualification of a new supplier as required by applicable law, we expect we would be able to engage another supplier in the event one of our existing supply agreements were terminated.

Regulatory Matters

We distribute our products around the world. Changes in legislation or government policies, including with respect to licensing, health information privacy and data privacy and healthcare costs and access, can have a material impact on our worldwide operations.

In particular, our operations are subject to, and affected by, regulations of medical devices promulgated by federal, state and local authorities in the United States, including the FDA, and other regulatory authorities with jurisdiction over our foreign operations. FDA regulations govern, among other things, product design and development, preclinical and clinical testing, pre-market clearance and approval, manufacturing, labeling, product storage, advertising and promotion, sales and distribution, post-market adverse event reporting, post-market surveillance, complaint handling, repair or recall of products and record keeping. These regulations not only affect our existing markets products, but also our ability to market new products under development.

For example, we are currently working on designing and developing an insulin patch pump focused on serving the needs of people with Type 2 diabetes. If we decide to pursue commercialization of this product, we currently expect that the product will be classified in the United States as a Class II medical device and as an alternate controller enabled, or ACE, insulin infusion pump, which must be cleared and/or approved by the FDA and similar regulatory authorities in jurisdictions outside of the United States before we can market and sell this potential product to distributors and end users in the United States and abroad, respectively. We are currently engaging with the FDA about this potential product through the FDA's pre-submission program. We currently expect that, at a later date, we would submit a 510(k) pre-market notification to the FDA to initiate the review and clearance process to market and sell this potential product in the United States, and may pursue similar clearance, approval and qualification processes in other jurisdictions. We cannot predict how long such process may take, and this process may require, among other things, that we demonstrate that this potential product complies with various regulations of the FDA and other governmental agencies, including quality system

regulations. If we fail to demonstrate compliance, we may not receive the required regulatory clearances to market the product in the United States or other jurisdictions.

Even if we do receive clearance to market products, failure to comply with ongoing regulatory requirements can result in enforcement actions by the FDA and other regulatory agencies, which may include warning letters that require corrective action, fines, injunctions, rescissions of previously granted clearances and/or approvals and other penalties.

We maintain a robust FDA Quality System Regulation and ISO Quality Systems that establish standards for our product design, manufacturing, and distribution processes, inclusive of Current Good Manufacturing Practices. The FDA and other regulatory agencies engage in periodic reviews and inspections of our quality systems, as well as product performance. As a medical device manufacturer and distributor, our manufacturing facilities and the facilities of our suppliers are subject to periodic inspection by the FDA, certain corresponding state agencies, and other regulatory bodies. Prior to marketing or selling most of our products, we must secure approval from the FDA and counterpart non-U.S. regulatory agencies. Following the introduction of a product, these agencies engage in periodic reviews and inspections of our quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in agency policies, can affect the time and cost associated with the development, introduction and continued availability of new and existing products. Where possible, we anticipate these factors in our product development and planning processes.

International sales of our products are subject to foreign government regulations, which may vary substantially from country to country. The time required to obtain approval by a foreign regulatory authority may be longer or shorter than that required for FDA approval, and the requirements may differ significantly, particularly outside of the European Union, Canada and other industrialized countries. In addition, other jurisdictions continue to update requirements for marketing and sale of products in their geography, often becoming more stringent. As we operate in other regions and continue to expand into emerging markets, new requirements may require updates to our quality management system. These global changes are monitored and reviewed as part of the overall quality lifecycle.

For further discussion of risks related to government regulations, see “*Risk Factors*” and “*Our Business—Legal Proceedings*”.

Third-Party Agreements

We distribute a significant portion of our pen needles, syringes and other products through independent distributors. McKesson Corporation, Cardinal Health and AmerisourceBergen Drug Corporation, our three largest distributors, together represented approximately 39% of our worldwide sales in fiscal 2021. These distributors purchase our products on a purchase order basis under standard written agreements. Embecta also makes direct sales to pharmacies and other organizations, which sales are generally done under standard terms and conditions negotiated by our sales representatives. Our direct sales to the five largest retail pharmacies for Embecta’s products together represented approximately 14% of Embecta’s worldwide sales. Outside of the United States, sales are made either directly to end users or through distributors, depending on the region served.

During fiscal 2021, we made sales to approximately 60 independent distributors in the United States, and approximately 600 independent distributors internationally. Our U.S. distributor agreements generally have terms between one and two years, and our international distributor agreements generally have a one-year initial term subject to automatic renewals. After the expiration of the term under our U.S. distributor agreements, the parties generally renew these agreements or enter into new agreements on similar terms. Many of our international distributor agreements contain minimum purchase requirements and annual price escalators, and our practice with our U.S. distributors is to enter into agreements with negotiated wholesale pricing for products which pricing in some cases may contemplate annual price increases based on market conditions, as well as negotiated distributor fees based on volume of products distributed to our customers.

Employees

We expect that upon the separation, we will have approximately 2,029 employees worldwide and that approximately 832 employees will be employed in the United States. As of today, only certain employees, all outside of the United States and representing approximately 33% of our headcount, are represented by various collective bargaining groups.

Our human resources organization is led by an experienced team that monitors our employee base and sets annual targets for managing our human capital, including employee retention, engagement and training targets. We will develop diversity and inclusion initiatives and will regularly review our strategies and programs for leadership development. We will establish benefit and incentive compensation plans, including comprehensive medical and life insurance coverage, 401(k) matching programs and other incentive compensation programs that we believe align employee incentives directly with our future performance.

Legal Proceedings

The diabetes care business is subject from time to time to claims and litigation arising in the ordinary course of business. These claims and litigation may include, among other things, allegations of violations of U.S. and foreign health regulation and privacy laws and related regulations, as well as claims or litigation relating to product liability, intellectual property, breach of contract and tort. The diabetes care business operates in multiple jurisdictions and, as a result, claims in one jurisdiction may lead to claims or regulatory penalties in other jurisdictions.

Subject to certain specified matters, Embecta generally will assume liability for all pending, threatened and unasserted legal matters related to the diabetes care business and will indemnify BD for any liability to the extent arising out of or resulting from such liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain Factors Affecting Forward-Looking Statements

The following discussion and analysis should be read in conjunction with the other sections of this information statement, including "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Selected Historical Combined Financial Data of the Diabetes Care Business," "Unaudited Pro Forma Condensed Combined Financial Information" and the Diabetes Care Business' historical combined financial information included elsewhere in this information statement. This discussion contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and other factors described throughout this information statement and particularly in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

References in this section to the "Diabetes Care Business" refer to the Diabetes Care Business as defined in the historical combined financial statements included in this information statement.

All amounts discussed are in millions of U.S. dollars, unless otherwise indicated.

Company Overview

We are a leading global medical device company focused on providing solutions to improve the health and wellbeing of people living with diabetes. Over the 95-year history of our business, we believe that our products have become one of the most widely recognized and respected brands in diabetes management in the world. We estimate that our products are used by nearly 30 million people in over 100 countries for insulin administration and to aid with the daily management of diabetes. Our business traces its origins to 1924, when BD developed the first dedicated insulin syringe. Since then, we have built a world-class organization with a unique manufacturing supply chain and commercial footprint, delivering over 7.6 billion units of diabetes injection devices globally in 2021. We generated revenues of $1,165 million, $1,086 million and $1,109 million in 2021, 2020 and 2019, respectively.

We have a broad portfolio of marketed products, including a variety of pen needles, syringes and safety devices, which are complemented by our proprietary digital applications designed to assist people with managing their diabetes. Our pen needles are sterile, single-use, medical devices, designed to be used in conjunction with insulin pens and are used to inject insulin or other diabetes medications. We also sell safety pen needles, which includes resin injection-molded shields on both ends of the cannula that automatically deploy to help prevent needlestick exposure and injury during injection and disposal. Our traditional and safety pen needles are compatible and frequently used with widely available pen injectors in the market today. In addition to pen needles, we sell sterile, single-use insulin syringes, which are used to inject insulin drawn from insulin vials. We also sell safety insulin syringes, which incorporate a manually activated sliding sleeve to help prevent needlestick exposure and injury during injection and disposal.

We primarily sell our products to wholesalers and distributors, which in turn sell such products to customers in primarily retail and institutional channels.

Separation from BD

In May 2021, BD announced its plan to separate its diabetes care business into an independent public company. The separation will occur through a distribution by BD of all of the outstanding shares of a newly formed company named Embecta Corp., which will hold BD's diabetes care business.

Completion of the distribution is subject to certain conditions which are described more fully under "The Separation and Distribution—Conditions to the Distribution," including receipt of (i) a private letter ruling from the IRS, satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of BD's outside counsel, satisfactory to the BD Board of Directors, regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 355 and 368(a)(1)(D) of the Code, and such opinion has not been withdrawn or rescinded.

Basis of Presentation of Our Financial Information

The accompanying historical combined financial statements included in this information statement were derived from the consolidated financial statements and accounting records of BD. These combined financial statements reflect the combined historical results of operations, financial position and cash flows of BD's diabetes care business as they were historically managed in conformity with U.S. generally accepted accounting principles ("GAAP"). Therefore, the historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our combined results of operations, financial condition and cash flows would have been had the Diabetes Care Business operated as a separate, publicly traded company during the periods presented, particularly because of changes that we expect to experience in the future as a result of our separation from BD, including changes in the financing, cash management, operations, cost structure and personnel needs of our business.

The combined financial statements include certain assets and liabilities that have historically been held at the BD corporate level but are specifically identifiable or otherwise allocable to the Diabetes Care Business. Cash has not been assigned to the Diabetes Care Business for any of the periods presented because those cash balances are not directly attributable to the Diabetes Care Business. BD uses a centralized approach to cash management and financing of its operations. These arrangements are not reflective of the manner in which the Diabetes Care Business would have financed its operations had it been a standalone company separate from BD during the periods presented. Cash pooling, related interest and intercompany arrangements are excluded from the asset and liability balances in the combined balance sheets. These amounts have instead been reported as *Net parent investment* as a component of Parent's Equity.

Additionally, BD provides certain services, such as legal, accounting, information technology, human resources and other infrastructure support to the Diabetes Care Business. The cost of these services has been allocated to the Diabetes Care Business on the basis of the proportion of net sales, headcount, and other drivers. The Diabetes Care Business and BD consider these allocations to be a reasonable reflection of the benefits received by the Diabetes Care Business. Actual costs that would have been incurred if the Diabetes Care Business had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, such as information technology and infrastructure.

Subsequent to the completion of the separation, we expect that Embecta will incur expenditures consisting of employee-related costs, costs to start up certain standalone functions and information technology systems and other one-time transaction related costs. Recurring standalone costs include establishing the internal audit, treasury, investor relations, tax and corporate secretary functions as well as the annual expenses associated with running an independent publicly traded company, including listing fees, compensation of non-employee directors, related board of director fees and other fees and expenses related to insurance, legal and external audit.

Percentages presented are calculated from the underlying amounts. References to years throughout this discussion relate to our fiscal years, which end on September 30.

Relationship with BD

Following the distribution, certain functions that BD provided to the Diabetes Care Business prior to the distribution will either continue to be provided to Embecta by BD under a transition services agreement or will be performed using Embecta's own resources or third-party service providers. Additionally, under manufacturing and supply agreements, BD will manufacture certain products for and supply raw materials to Embecta and its subsidiaries and Embecta will manufacture certain products for BD and its subsidiaries.

Concurrent with the distribution, we will enter into certain agreements with BD. See "Certain Relationships and Related Party Transactions—Agreements with BD."

Key Trends Affecting Our Results of Operations

- *Competition.* The regions in which we conduct our business and the medical devices industry in general are highly competitive. We face significant competition from a wide range of companies in a highly regulated industry. These include large companies with multiple product lines, some of which may have greater financial and marketing resources than us, as well as smaller more specialized companies. Non-traditional entrants, such as technology companies, are also entering into the diabetes care industry and its adjacent markets, some of which may have greater financial and marketing resources than us.
- *Pricing Pressures.* The increased scrutiny by regulators on healthcare spending, which has accelerated in light of the COVID-19 pandemic, along with a shift towards more tenders and volume based procurement, which generally values lower cost over product quality, have placed significant pressure on Embecta to lower pricing. These trends may reduce our operating margins, which are only partially offset by our ability to differentiate our products and sell at higher prices.
- *Commoditization of Injection Devices*. Given the growing demand for medical devices to assist in the treatment of diabetes and difficulties around access to diabetes care due to complex and costly insurance plans, patient care is increasingly focused on providing more affordable products, which has led to the commoditization of more traditional injection delivery devices, such as insulin syringes and pen needles. Existing and new local and regional low-cost providers, in combination with a shift from insulin vials to insulin pens, have made the pen needle category highly competitive. This has forced providers to provide clinical evidence to differentiate their products.
- *Changes in Clinical Practice*. Increased penetration of oral anti-diabetic drugs (*e.g.*, SGLT-2s & DDP-4s) and GLP1s have delayed initiation of insulin therapy and contributed to less demand for our products. This trend had shown signs of reversing as novel therapy growth has slowed and the insulin category has stabilized. As GLP-1 penetration reaches saturation, we expect our net sales to continue to grow in line with increases in the incidence of diabetes.
- *COVID-19 impacting delivery and allocation of healthcare*. The COVID-19 pandemic has accelerated the adoption of, and reimbursement by governments and private payers for, the delivery of healthcare using digital technologies, including telehealth technologies and other at-home selfcare solutions and various media for virtual engagement with healthcare providers. Our ability to adapt the delivery of our products and sales and marketing efforts to these trends, including with the development of our diabetes care app, may materially affect our results of operations. The pandemic has also caused hospitals and other healthcare providers to reassess their prioritization and allocation of their healthcare resources. In many cases, providers were forced to balance between diverting resources toward the acute COVID-19 crisis and maintaining routine care for people living with long term conditions. If this trend persists, particularly in regions where COVID-19 continues to spread, it could have an adverse impact on the delivery of care for people with diabetes and our sales and marketing efforts.
- *Decentralization of Chronic Care*. Many countries are facing an aging population and a rapidly growing number of people living with diabetes. While healthcare investments in certain regions continue to grow, there is an increased burden on physicians and longer wait times for patients. Healthcare delivery for non-emergency diabetes care is expected to continue shifting outside of hospitals to primary care providers, which could have a material impact on our results of operations.
- *Political and Economic Instability in Emerging Markets*. We operate in a number of emerging markets, many of which are subject from time to time to significant political and economic disruptions. For example, currency fluctuations or sanctions affecting these markets may adversely affect our results of operations, including our ability to efficiently collect payments and manage our accounts. However, the number of countries we provide products to and our proactive channel management strategies help us manage this variability.

COVID-19 Pandemic Impacts and Response

COVID-19 was officially declared a pandemic by the World Health Organization in March 2020 and governments around the world have been implementing various measures to slow and control the spread of COVID-19. These government measures have led to a shift in healthcare priorities and disruptions of economic activities worldwide, which unfavorably affected the demand for our products in fiscal year 2020 as further described below. While demand for our products showed substantial recovery during fiscal year 2021, our future operating performance may be subject to further volatility due to the significant uncertainty with respect to the duration and overall impact of the COVID-19 pandemic. The impacts of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows is dependent on certain factors including:

- the extent to which resurgences in COVID-19 infections or new strains of the virus result in the imposition of new governmental lockdowns, immunization requirements, quarantine requirements or other restrictions that may disrupt our operations;
- continued momentum of the global economy's recovery from the pandemic and the degree of pressure that a weakened macroeconomic environment would put on the global demand for our products; and
- the effectiveness of recently developed vaccines and vaccination efforts.

Summary of Financial Results

Worldwide revenues in 2021 of $1,165 million increased 7.3% from the prior year period. This increase reflected favorable impacts from foreign currency translation, price and volume. Increases in volume were attributable to increased end-user consumption of pen needles and safety syringes, as well as category growth. Additionally, revenues in 2021 were favorably impacted by decreases to our rebate reserves, as further discussed below.

We continue to invest in research and development, geographic expansion and new product market programs to drive further revenue and profit growth. Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including geographical expansion), develop innovative new products, and continue to improve operating efficiency and organizational effectiveness. As discussed above, current global economic conditions are relatively volatile due to the COVID-19 pandemic. In addition, an inability to increase or maintain selling prices globally could adversely impact our business.

Each reporting period, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. A weaker U.S. dollar in 2021, compared with 2020, resulted in a favorable foreign currency translation impact to our revenues during 2021. We evaluate our results of operations on both a reported and a foreign currency-neutral ("FXN") basis, which excludes the impact of fluctuations in foreign currency exchange rates by comparing results between periods as if exchange rates had remained constant period-over-period. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a FXN basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. We calculate FXN percentages by converting our current-period local currency financial results using the prior-period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. GAAP. Results on a FXN basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Results of Operations

Revenues

(Millions of dollars)	2021	2020	2019	2021 vs. 2020 Total Change	2021 vs. 2020 Estimated FX Impact	2021 vs. 2020 FXN Change	2020 vs. 2019 Total Change	2020 vs. 2019 Estimated FX Impact	2020 vs. 2019 FXN Change
Revenues	$1,165	$1,086	$1,109	7.3%	2.3%	5.0%	-2.1%	-1.2%	-0.9%

Revenues of $1,165 million in 2021 increased by $79 million, or 7.3%, compared with revenues of $1,086 million in 2020. Changes in our revenue are driven by the volume of goods that we sell, the prices we negotiate with customers and changes in foreign exchange rates. A net increase in the volume of units sold of approximately $33 million was primarily driven by increased end-user consumption of pen needles and safety syringes within the U.S. and category growth within China and certain other international regions. The net increase in volume in 2021 also reflected a $5 million increase in U.S. private label sales compared with the prior-year period. Price increases and U.S. rebate adjustments favorably impacted revenues by approximately $11 million. As noted above, the increase in 2021 revenues also reflected effects from foreign currency translation of $25 million.

Revenues of $1,086 million in 2020 decreased by $23 million, or 2.1% compared with revenues of $1,109 million in 2019. A net decrease in the volume of units sold of $3 million was primarily driven by the loss of a health insurance provider account in the United States and declines, particularly in EMEA, which were attributable to COVID-19 pandemic-related disruptions in healthcare priorities and economic activities. These unfavorable impacts to volume in 2020 were partially offset by category gains in the U.S. retail channel and increased U.S. end-user consumption of pen needles, as well as by a slowdown of novel therapy growth in the United States, which previously had a negative effect on sales of our insulin injection devices. Volume in 2020 was also favorably affected by increased demand that was attributable to the successful execution of channel expansion strategies in China. Pricing pressures unfavorably affected our sales by approximately $7 million and were most acute in the United States. As noted above, the decrease in 2020 revenues reflected unfavorable effects from foreign currency translation of $13 million.

Cost of Products Sold

(Millions of dollars)	2021	2020	2019	2021 vs. 2020 Total Change	2021 vs. 2020 Estimated FX Impact	2021 vs. 2020 FXN Change	2020 vs. 2019 Total Change	2020 vs. 2019 Estimated FX Impact	2020 vs. 2019 FXN Change
Cost of products sold	$365	$323	$323	13.0%	3.4%	9.6%	-%	-1.9%	1.9%

Cost of products sold of $365 million in 2021 increased by $42 million, or 13.0%, compared with $323 million in 2020, which reflected an unfavorable impact of approximately $11 million from foreign currency translation. The unfavorable impact from performance of approximately $31 million, or 9.6%, primarily reflected higher manufacturing costs, including overhead, of approximately $17 million which resulted from higher sales volume and a change in product mix, as well as $14 million of impairment charges related to certain construction in progress assets. Additional disclosures relating to these impairment charges are provided in Note 10 to our annual audited combined financial statements included elsewhere in this information statement.

Cost of products sold of $323 million in 2020 was flat compared with 2019, which reflected a favorable impact of approximately $6 million from foreign currency translation. The unfavorable impact from performance of approximately $6 million, or 1.9%, primarily reflected increased manufacturing overhead variances, such as idle capacity charges, that were recognized within the period as a result of the COVID-19 pandemic. Cost of products sold also reflected a reduction of manufacturing costs that was attributable to continuous improvement projects which enhanced the efficiency of our operations.

Operating Expenses

Operating expenses in 2021, 2020 and 2019 were as follows:

(Millions of dollars)	2021	2020	2019	Increase (decrease) 2021 vs. 2020	Increase (decrease) 2020 vs. 2019
Selling and administrative expense	$ 240	$ 215	$ 222	$ 25	$ -7
% of revenues	*20.6%*	*19.8%*	*20.0%*		
Research and development expense	$ 63	$ 61	$ 62	$ 2	$ -1
% of revenues	*5.4%*	*5.6%*	*5.6%*		
Other operating expense	$ 5	$ —	$ —		

Selling and Administrative

Selling and administrative expense of $240 million in 2021 increased by $25 million, or 11.6%, compared with $215 million in 2020. This increase was primarily driven by an increase in global selling, marketing and other related costs of approximately $21 million due to the 2021 increase in sales volume, as further discussed above, and an increase in other administrative costs of approximately $4 million as compared to the prior year, which benefited from cost containment measures enacted in response to the COVID-19 pandemic.

Selling and administrative expense of $215 million in 2020 decreased by $7 million, or 3.2%, compared with $222 million in 2019. This decrease was primarily driven by lower costs of approximately $5 million from headcount reductions resulting from a cancelled commercialization project, partially offset by an increase of approximately $1 million in shipping expenses in 2020 compared with 2019. Selling and administrative expense in 2020 also reflected a decrease in global selling, travel and other administrative costs due to the COVID-19 pandemic.

Research and Development

Spending in 2021, 2020 and 2019 reflected our continued commitment to invest in new products. Research and development expense of $63 million in 2021 increased by $2 million, or 3.3% compared with $61 million in 2020. The increase was primarily driven by increased investment in new products.

Research and development expense of $61 million in 2020 decreased by $1 million, or 1.6%, compared with $62 million in 2019, which reflected a decrease of approximately $2 million in labor costs, partially offset by an increase of approximately $1 million in additional investments relating to our technology platform.

Income Taxes

The income tax rates in 2021, 2020 and 2019 were as follows:

	2021	2020	2019
Effective income tax rate	16.2%	11.9%	13.6%

The Diabetes Care Business' effective income tax rate was 16.2%, 11.9% and 13.6% in 2021, 2020 and 2019, respectively. The fluctuation in the effective income tax rate for each year is primarily driven by the geographical mix of income attributable to foreign countries that have income tax rates that vary from the U.S. tax rate and discrete items impacting income tax expense that may not recur. The effective income tax rate in 2020 was favorably impacted by $17 million relating to unrecognized tax benefits while the effective income tax rate in 2019 was favorably impacted by $4 million relating to changes in U.S. tax legislation.

Liquidity and Capital Resources

Historical Liquidity

Historically, we have generated positive cash flows from operations.

As part of BD, the Diabetes Care Business has been dependent upon BD for all of its working capital and financing requirements. BD uses a centralized approach to cash management and financing of its operations. The majority of the cash of the Diabetes Care Business is transferred to BD daily and BD funds the operating and investing activities of such business as needed. This arrangement is not reflective of the manner in which the Diabetes Care Business would have been able to finance its operations had the Diabetes Care Business been a standalone business separate from BD during the periods presented. Cash transfers to and from BD's cash management accounts are reflected within Net parent investment as a component of Parent's Equity.

The cash and cash equivalents held by BD at the corporate level are not specifically identifiable to the Diabetes Care Business and therefore were not allocated for any of the periods presented. Third-party debt and the related interest expense of BD have not been allocated to the Diabetes Care Business for any of the periods presented because BD's borrowings were not directly attributable to this business.

Future Liquidity

On a recurring basis, our primary future cash needs will be directed toward operating and investing activities, which include working capital needs, capital expenditures, research and development funding, and mergers and acquisitions. We also intend to allocate cash to the interest payments and repayment of borrowings. Our ability to fund these needs will depend, in part, on our ability to generate or raise cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

Following the separation, our capital structure and sources of liquidity will change from its historical capital structure because we will no longer participate in BD's centralized cash management program. Our ability to fund our operating needs will depend on our ability to continue to generate positive cash flow from operations and raise capital in the capital markets. Based upon our history of generating strong cash flows, we believe that we will be able to meet our short-term liquidity needs. We believe that we will meet known and reasonably likely future cash requirements through the combination of cash flows from operating activities, available cash balances and available borrowings through and under our expected financing arrangements. If these sources of liquidity need to be augmented, additional cash requirements would likely need to be financed through the issuance of debt or equity securities.

We expect to incur indebtedness in connection with our separation from BD, a portion of which will be used to distribute cash to BD. See "Description of Material Indebtedness." Following this debt incurrence and the distribution of cash to BD, we expect to begin operations as an independent company with cash and cash equivalents as set forth under "Capitalization."

Our contractual obligations as of September 30, 2021 were as follows:

(Millions of dollars)	Total	2022	2023	2024	2025	2026	Thereafter
Leases[a]	$ 5	$ 1	$ 1	$ 1	$ 1	$ 1	$ –
Purchase Commitments[b]	1	1	–	–	–	–	–
Total	$ 6	$ 2	$ 1	$ 1	$ 1	$ 1	$ –

(a) Refer to Note 12 to our annual audited combined financial statements.
(b) Refer to Note 6 to our annual audited combined financial statements.

The following table summarizes our combined statements of cash flows in 2021, 2020 and 2019:

(Millions of dollars)	2021	2020	2019
Net cash provided by (used for)			
Operating activities	$ 456	$ 499	$ 505
Investing activities	$ (39)	$ (42)	$ (69)
Financing activities	$(417)	$(457)	$(436)

Net Cash Flows from Operating Activities

Net cash provided by operating activities during 2021 was attributable to net income of $415 million in 2021 and net adjustments of $41 million, including adjustments related to depreciation and amortization, impairment of property, plant and equipment, share-based compensation, pension expense, deferred taxes, and a $32 million net use of cash relating to changes in working capital. The net use of cash relating to working capital was driven by increases in trade receivables, inventories, and prepaid expenses and other, of $32 million, $18 million and $12 million, respectively, partially offset by a $30 million increase in accounts payable, income taxes and other liabilities. The increase in trade receivables and inventory primarily related to higher sales in 2021 as compared to 2020, as discussed above, which led to higher outstanding trade receivables and inventories on hand to satisfy demand. The increase in prepaid expenses and other was driven by increases in prepaid taxes. The increase in accounts payable, income taxes and other liabilities was driven by the timing of our rebate payments, which led to higher accounts payable as of period end, as well as increased accrued freight expenses due to higher sales in the period.

Net cash provided by operating activities during 2020 was attributable to net income of $428 million in 2020 and net adjustments of $71 million, including adjustments related to depreciation and amortization, share-based compensation, pension expense, deferred taxes and a $13 million net source of cash relating to changes in working capital. The source of cash relating to working capital was driven by a decrease in inventories, as well as prepaid expenses and other, of $4 million and $15 million, respectively, partially offset by a $4 million decrease in accounts payable, income taxes and other liabilities and an increase of $2 million in trade receivables. The decrease in inventories primarily related to lower finished goods on hand due to changes in demand while the decrease in accounts payable, income taxes and other liabilities was primarily driven by the release of a tax transfer pricing reserve. The decrease in prepaid expenses and other, and corresponding increase in trade receivables, was driven by changes in contract assets due to the timing of when our right to consideration from customers was no longer conditional on future performance.

Net cash provided by operating activities during 2019 was attributable to net income of $432 million in 2019 and net adjustments of $73 million, including adjustments related to depreciation and amortization, share based compensation, pension expense, deferred taxes and a $22 million net source of cash relating to changes in working capital. The source of cash relating to working capital was driven by a $32 million increase in accounts payable, income taxes and other liabilities and a decrease of $9 million in inventories, partially offset by increases in trade receivables and prepaid expenses and other of $10 million and $9 million, respectively. The increase in accounts payable, income taxes and other liabilities was primarily driven by timing of payments to vendors. The decrease in inventories related to lower inventory on hand compared to prior year due to changes in demand. The increase in trade receivables was driven by higher outstanding sales during the year. The increase in prepaid expenses and other primarily related to the establishment of contract assets in fiscal year 2019 due to the adoption of ASC 606.

Net Cash Flows from Investing Activities

Net cash used for investing activities was primarily comprised of capital expenditures of $37 million, $42 million, and $66 million in 2021, 2020 and 2019, respectively to support further expansion of our business and operations. Net cash used for investing activities during 2021 and 2019 also included $2 million and $3 million, respectively, related to the acquisition of intangible assets.

Net Cash Flows from Financing Activities

Net cash used for financing activities, which entirely represented net transfers to BD (see Note 5 to the combined financial statements included elsewhere in this information statement), was $417 million in 2021, $457 million in 2020 and $436 million in 2019.

Critical Accounting Policies

The following discussion supplements the descriptions of our accounting policies contained in Note 2 to the combined financial statements included elsewhere in this information statement. The preparation of the combined financial statements requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the combined financial statements. Some of those judgments can be subjective and complex and, consequently, actual results could differ materially from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, it is possible that other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Actual results that differ from management's estimates could have an unfavorable effect on our combined financial statements. Management believes the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the combined financial statements:

Revenue Recognition

Our revenues are primarily recognized when the customer obtains control of the product sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the distribution or sales agreement.

Our gross revenues are subject to a variety of deductions, which include rebates, sales discounts and sales returns. These deductions represent estimates of the related obligations, and judgment is required when determining the impact of these revenue deductions on gross revenues for a reporting period. Rebates provided by the Diabetes Care Business are based upon prices determined under our agreements with the end-user customers. Additional factors considered in the estimate of our rebate liability include the quantification of inventory that is either in stock at or in transit to our distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates.

Impairment of Long-Lived Assets

Goodwill assets are subject to impairment reviews at least annually, or whenever indicators of impairment arise. Intangible assets with finite lives and other long-lived assets are periodically reviewed for impairment when impairment indicators are present.

We assess goodwill for impairment at the reporting unit level by comparing the fair value of the reporting unit with its carrying value. Our annual goodwill impairment test performed on July 1, 2021 did not result in any impairment charges, as the fair value of our reporting unit exceeded its carrying value.

We generally use the income approach to derive the fair value for all impairment assessments and measurements. This approach calculates fair value by estimating future cash flows attributable to the assets and then discounting these cash flows to a present value using a risk-adjusted discount rate. We selected this method because we believe the income approach most appropriately measures the value of our income-producing assets. This approach requires management judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, appropriate discount rates, terminal values and other assumptions and estimates.

The estimates and assumptions used are consistent with our business plans. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the asset. Actual results may differ materially from management's estimates.

Income Taxes

Our operations are included in the tax returns of BD. In the future, as a standalone entity, we will file tax returns on our own behalf. Income taxes as presented in the combined financial statements attribute current and deferred income tax assets and liabilities of BD to us in a manner that is systematic, rational and consistent with the asset and liability method prescribed by the accounting guidance for income taxes. Our income tax provision is prepared using the separate return method. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if we were a separate taxpayer and a standalone enterprise. We believe the assumptions supporting the allocation and presentation of income taxes on a separate return basis are reasonable.

We have reviewed our needs in the United States for possible repatriation of undistributed earnings of our foreign subsidiaries and continue to invest foreign subsidiaries' earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, we are permanently reinvested with respect to all historical foreign earnings as of September 30, 2021. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable because of the complexities associated with its hypothetical calculation.

BD conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. Our operations are included in the tax returns of BD. In evaluating the exposure associated with various tax filing positions, we record accruals for uncertain tax positions, based on the technical support for the positions, past audit experience with similar situations and the potential interest and penalties related to the matters. The effects of tax adjustments and settlements from taxing authorities are presented in the combined financial statements in the period to which they relate as if we were a separate filer.

We maintain valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in the tax provision in the period of change. In determining whether a valuation allowance is warranted, we evaluate factors such as prior earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

We do not maintain an income taxes payable account as it is deemed to be settled with the tax paying entities in their respective jurisdictions unless an entity is to be contributed with the spin-off. The tax payable settlements are to be classified as changes in *Net parent investment*. However, the combined balance sheets reflect liabilities for unrecognized income tax benefits along with related interest and penalties.

Additional disclosures regarding our accounting for income taxes are provided in Note 11 to the combined financial statements included elsewhere in this information statement.

Recent Accounting Pronouncements

See Note 3 to the combined financial statements included elsewhere in this information statement for a discussion of recent accounting pronouncements.

MANAGEMENT

Senior Leadership Team Following the Distribution

The following table sets forth information regarding the individuals who are currently expected to serve on the senior leadership team of Embecta following the distribution. Some members of Embecta's senior leadership team are currently employees of BD, but will cease to hold such positions upon the consummation of the separation. One member of Embecta's senior leadership team, Devdatt (Dev) Kurdikar, will also hold a position as a member of Embecta's Board of Directors. See "Directors".

Name	Position
Devdatt (Dev) Kurdikar*	President and Chief Executive Officer
Jacob (Jake) Elguicze*	Senior Vice President and Chief Financial Officer
Ginny Blocki	Senior Vice President, Product Management and Global Marketing
Tom Blount	Senior Vice President and President, North America
Brian Capone*	Vice President, Chief Accounting Officer and Corporate Controller
Shaun Curtis*	Senior Vice President, Global Manufacturing and Supply Chain
Ajay Kumar*	Senior Vice President and Chief Human Resources Officer
Jeff Mann*	Senior Vice President, General Counsel, Head of Corporate Development, and Corporate Secretary
Slobodan Radumilo	Senior Vice President and President, International
Colleen Riley	Senior Vice President and Chief Technology Officer

* This senior leadership member has been designated as an "executive officer" under Item 401 of Regulation S-K (17 CFR § 229.401).

Devdatt (Dev) Kurdikar, 53, serves as the Worldwide President of Diabetes Care at BD. Previously, Dev was the President and CEO of Cardiac Science Corporation (CSC), a global leader in the manufacturing and marketing of automated external defibrillators (AEDs) for public access, education, police, and fire and rescue markets. CSC had been acquired by a private equity firm via bankruptcy proceedings, and under Dev's leadership, CSC returned to profitable growth and was sold in a successful exit to ZOLL Medical.

Prior to that role, Dev was the Vice President and General Manager, Men's Health, an important growth business within Urology and Pelvic Health at Boston Scientific Corp (NYSE: BSX). Dev was in the same role at American Medical Systems (AMS) and led the Men's Health business through a significant business turnaround, and then the carve-out and sale to BSX, where Dev led the business through its integration into BSX. Before joining AMS, Dev served as Vice President, Marketing, Baxter International Inc. (NYSE: BAX), where he worked directly with the company's top executives on a global commercial initiative to drive market access. Previously, he was the Vice President, Marketing for the Infusion Systems business for the U.S. region where he played a key role in stabilizing the business while under a consent decree, and launched a new wireless enabled infusion pump. In his 11 years with Baxter, Dev held leadership roles of increasing responsibility in finance, strategy and integration, R&D planning and operations. He began his career as a Senior Research Engineer at The Monsanto Company.

Dev holds a Bachelor in Chemical Engineering from the University of Bombay (India). He earned a Master of Science in Chemical Engineering from Washington State University (Washington), a Ph.D. in Chemical Engineering from Purdue University (Indiana), and a Master of Business Administration from Washington University (Missouri).

Jacob (Jake) Elguicze, 48, serves as the Senior Vice President – Finance of Diabetes Care at BD. Previously, Jake was the Treasurer and Vice President of Investor Relations of Teleflex Incorporated (NYSE: TFX), a global provider of medical technologies designed to improve the health and quality of people's lives. Before assuming the role of Treasurer and Vice President of Investor Relations, Jake was the Vice President of

Financial Planning and Analysis at Teleflex. Prior to that role, Jake worked at Motorola, Inc. in a variety of corporate finance roles of increasing responsibility, including most recently the Director of Finance for one of Motorola's strategic business units. Before joining Motorola, Jake served as an auditor for Pricewaterhouse Coopers, LLP. Jake holds a Bachelor of Science in Accounting from the University of Scranton, and a Master of Business Administration from Saint Joseph's University.

Ginny Blocki serves as Senior Vice President and Head of Global Marketing and Product Management of Diabetes Care at BD, a position she has held since October 2021. Previously, she was head of U.S. medication delivery marketing for Baxter International Inc. (NYSE: BAX) until 2020, and before that held leadership roles with Assertio Therapeutics, Inc. (Nasdaq: ASRT) until 2018, Abbott Laboratories (NYSE: ABT) until 2016, and prior to that at Baxalta (which was later acquired by Shire PLC ADR (Nasdaq: SHPC)). She has a Bachelor of Science degree in finance from Indiana University and completed the Executive Scholar Program in General Management at Kellogg School of Management, Northwestern University.

Tom Blount, 48, joined BD in 2016 and has served as Vice President and General Manager, U.S. Diabetes Care, since May 2020. Previously, he spent 16 years in roles of increasing leadership responsibility at Sanofi S.A. (Nasdaq: SNY) following five years on active duty in the U.S. Army. He holds a Bachelor of Science degree in German/French from the United States Military Academy at West Point and a Master of Science in International Relations from Troy University – European Campus.

Brian Capone, 47, serves as Vice President, Corporate Controller and Chief Accounting Officer of Diabetes Care at BD. Mr. Capone previously served as Senior Vice President, Corporate Controller and Chief Accounting Officer at Cantel Medical Corporation ("Cantel"), a global medical products company focused on infection prevention products, until its acquisition by Steris PLC (NYSE: STE). Mr. Capone was appointed to this position in October 2018, having previously served as Vice President, Chief Accounting Officer and Vice President, Corporate Controller for Cantel since April 2017. Prior to joining Cantel, Mr. Capone served as the Assistant Corporate Controller for Stryker Corporation from October 2014 to April 2017, and Director, External Financial Reporting and Technical Accounting for Quest Diagnostics Incorporated from March 2012 to October 2014. Prior to those roles, Mr. Capone served in various financial reporting roles at Genzyme Corporation and CVS Health Corporation. Mr. Capone holds a Bachelor of Science degree in Business Administration with a concentration in Professional Accounting from Montclair State University and is a Certified Public Accountant in the State of New York.

Shaun Curtis, 52, serves as the Worldwide Vice President of Operations of Diabetes Care at BD, a position he has held since 2018. Previously, Shaun was the Manufacturing Director at BD Plymouth, UK (part of the Integrated Diagnostic Solutions Business) since 2012. Prior to joining BD, Shaun was the Engineering Manager at Cooper Standard Automotive, Plymouth, UK. Before his role at Cooper Standard Automotive, Shaun worked at Pall Filtration, UK. Shaun started his career at Rio Tinto Zinc as an underground engineer, designing, building, and repairing mining equipment. Shaun holds a Master of Business Administration with distinction from Northampton University, UK. He earned an Honors Degree in Mechanical Engineering from Plymouth University. He also achieved a Higher National Diploma in Mechanical Engineering at Swindon College.

Ajay Kumar, 51, serves as the Vice President, Human Resources of Diabetes Care at BD and has an additional charge for BD Latin America Human Resources. Prior to this role, Ajay held numerous roles within BD including HR Head for BD's diagnostic systems business, Head of Talent Management for BD Greater Asia, and HR Director for BD India. Most recently, he was the HR leader for BD's Medication Delivery Systems (MDS) business. Prior to joining BD, Ajay held various positions at Unilever PLC in India, culminating as Head of Talent Management of Unilever India. Ajay holds a degree in Mechanical Engineering from Birla Institute of Technology Mesra and a Master of Business Administration in HR from XLRI Jamshedpur.

Jeff Mann, 49, serves as the Senior Vice President, General Counsel and Head of Corporate Development of Diabetes Care at BD. Most recently, Jeff served as General Counsel and Corporate Secretary of Cantel. Prior to Cantel, Jeff spent 14 years with Boston Scientific Corporation in roles including M&A, venture capital investments, SEC and corporate governance, patent strategy, litigation, and business unit support for the Med

Surg group. Jeff also served on the Board of Directors of Preventice Solutions and as Chair of its Compensation Committee. Jeff holds a Bachelor of Science in Civil and Environmental Engineering from Lafayette College in Easton, PA, and a J.D. from Boston College Law School, magna cum laude.

Slobodan Radumilo, 51, joined BD in 2016 as Vice President and General Manager of Diabetes Care for BD in the EMEA region. Previously, he held roles of increasing responsibility at Medtronic plc (NYSE: MDT) from 1997 to 2016, most recently as vice president of neuromodulation for Europe and Canada, regional vice president for Central and Eastern Europe and Central Asia, and regional vice president for Central and Eastern Europe, Greece and Israel. He holds a Bachelor of Science degree in electrical engineering, a Master of Science degree in biomedical engineering and a Diploma in Management from the University of Zagreb in Croatia, as well as a Diploma in Leadership from the Glasgow Caledonian University.

Colleen Riley, 57, joined BD as Senior Vice President, Chief Technology Officer of Diabetes Care at BD in October 2021. Prior to that, she was the senior vice president of innovation and development for Terumo Blood and Cell Technologies since 2019 and previously served in a leadership role at Stryker Orthopedics (NYSE: SYK) from 2014 to 2019. Previously, she served in leadership rules at Novartis International AG (NYSE: NVS), Nexis Vision Inc. and Johnson & Johnson (NYSE: JNJ). She holds a Bachelor of Arts in chemistry, a Master of Science in physiological optics and a Doctor of Optometry degree from Indiana University.

DIRECTORS

Board of Directors Following the Distribution

The following table sets forth information regarding those persons who are expected to serve on Embecta's Board of Directors following completion of the distribution and until their respective successors are duly elected and qualified.

Name	Position
Devdatt (Dev) Kurdikar	President, Chief Executive Officer and Director Nominee
David F. Melcher	Director Nominee and Non-Executive Chairman of the Board of Directors
David J. Albritton	Director Nominee
Carrie L. Anderson	Director Nominee
Robert (Bob) J. Hombach	Director Nominee
Milton M. Morris, Ph.D.	Director Nominee
Claire Pomeroy	Director Nominee
Karen N. Prange	Director Nominee
Christopher R. Reidy	Director Nominee

Devdatt (Dev) Kurdikar's biographical information is set forth above under "Management—Senior Leadership Team Following the Distribution." Mr. Kurdikar has developed valuable business, management and leadership experience, and will be the President and Chief Executive Officer of Embecta. Mr. Kurdikar will be able to use his experience and knowledge to contribute key insights into strategic, management, and operational matters to Embecta's Board of Directors.

David F. Melcher, 67, has been a director of BD since BD's acquisition of C.R. Bard, Inc. ("Bard") in 2017, and had served as a Bard director since 2014. Mr. Melcher will resign from the BD Board of Directors upon the completion of the distribution. In December 2017, LTG Melcher retired as President and Chief Executive Officer of Aerospace Industries Association, a trade association representing major aerospace and defense manufacturers and suppliers, a position he had held since 2015. From 2011 to 2015, Mr. Melcher was Chief Executive Officer, President and a director of Exelis Inc. ("Exelis"), a global aerospace defense, information and technology services company, until the sale of Exelis to Harris Corp. in 2015. Lieutenant General (Ret.) Melcher spent 32 years of distinguished service in the U.S. Army. He also was the Lead Independent Director of Cubic Corporation until its sale to Veritas Capital in May 2021, and currently serves as an Independent Director of the United Services Automobile Association (USAA). He also serves on the Board of Managers for GM Defense, LLC, a wholly owned subsidiary of GM Corporation.

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

David J. Albritton, 55, is the founder and chief executive officer of Nineteen88 Strategies. Prior to that, Mr. Albritton served most recently as vice president, communications, Worldwide Public Sector and Vertical Industries, at Amazon Web Services, and previously spent five years at General Motors ("GM"), most recently as president, lead executive and general manager for GM Defense. Mr. Albritton began at GM following the sale of Exelis to Harris Corp. in 2015. He was Exelis' Vice President and Chief Communications Officer, a role he assumed upon the company's spinoff from ITT Corporation in 2011. He joined Exelis, then ITT Defense & Information Solutions, in November 2008 as the Vice President of Communications. Prior to that, he was Director of Media Relations in the Global Business Development and Government Relations office for Raytheon Company and has also held senior communications positions with United Way of America, Hewlett-Packard Company/Compaq Computer Corporation and Sears, Roebuck and Co. Early in his career, Mr. Albritton spent 10 years as an officer in the U.S. Navy and served in the Pentagon as an official Navy Spokesman on the Navy News Desk and as the Flag Lieutenant / Aide for the U.S. Navy's Chief of Information. He also served

aboard USS PORTLAND (LSD 37) during Operations Desert Shield and Desert Storm. He holds a Bachelor of Science in General Engineering from the U.S. Naval Academy in Annapolis, MD, as well as a Master of Science in Management from the Naval Postgraduate School in Monterey, CA. He has also completed executive education courses at Harvard University, Stanford University, and the Wharton School of Business. Mr. Albritton will bring to the Board of Directors his executive leadership experience and communications expertise.

Carrie L. Anderson, 52, is the executive vice president & chief financial officer for Integra LifeSciences (Nasdaq: IART). Prior to joining Integra in June 2019, she was vice president and controller of Dover Corporation ("Dover"). Previously, she was CFO of Dover's Engineered Systems and initially joined Dover in October 2011 as CFO of Dover Printing and Identification. Prior to Dover, Ms. Anderson spent six years as vice president and CFO of Delphi Product & Service Solutions, a division of Delphi Corporation. While at Delphi, she also held finance leadership positions at three other global operating divisions of Delphi. Ms. Anderson started her career with General Motors after graduating from Purdue University with a Bachelor of Science in chemical engineering and earned her Master of Business Administration from Ball State University. Ms. Anderson will bring to the Board of Directors her financial expertise, life sciences experience and experience working with large, diversified global manufacturing companies.

Robert (Bob) J. Hombach, 55, is currently a board member of Aptinyx, Inc., BioMarin Pharmaceutical Inc., and CarMax, Inc. He is the audit committee chair for both Aptinyx, Inc. and BioMarin Pharmaceutical Inc., and is on the audit committee for CarMax, Inc. Until 2016, Mr. Hombach served as executive vice president, chief financial officer and chief operations officer of Baxalta, a biopharmaceutical company spun out from Baxter International, Inc. (NYSE: BAX). He served as corporate vice president and chief financial officer of Baxter from July 2010 until the spinoff in 2015. From 2007 to 2011, Mr. Hombach served as treasurer of Baxter and from 2004 to 2007, he was vice president of finance, Europe, Middle East and Africa at Baxter. Prior to that, Mr. Hombach served in a number of finance positions of increasing responsibility in the corporate planning, manufacturing, operations and treasury areas at Baxter. Mr. Hombach earned a Master of Business Administration from Northwestern University's JL Kellogg Graduate School of Management, and a Bachelor of Science in Finance cum laude from the University of Colorado. Mr. Hombach will bring to the Board of Directors his financial expertise and public company governance experience, as well as his experience with complex strategic and transactional transitions.

Milton M. Morris, Ph.D., 51, has been president and CEO of Neuspera Medical ("Neuspera") since July of 2015. Prior to joining Neuspera, Dr. Morris was the senior vice president of research & development and emerging therapies at Cyberonics (now LivaNova). Dr. Morris was previously employed by Guidant Corporation and its successor, Boston Scientific Corporation, where he held several positions, including principal research scientist; director, research & development; and director, marketing. Prior to joining Guidant, Dr. Morris spent five years working as a research assistant in the Medical Computing Laboratory at the University of Michigan in collaboration with the electrophysiology group at the University of Michigan Hospital and the Michigan Heart and Vascular Institute. Dr. Morris serves as a charter trustee for Northwestern University, where he chairs the Medicine Committee, and serves on the Board of Directors of Myomo, Inc. (NYSE: MYO). Dr. Morris is a fellow in the American Institute for Medical and Biological Engineering (AIMBE), where he was inducted for contributions to developing and commercializing innovations in bioelectronic medicine. Dr. Morris holds a Master in Business Administration from the Kellogg School of Management, a Master and Ph.D. in Electrical Engineering from the University of Michigan, and a Bachelor of Science in Electrical Engineering from Northwestern University. Dr. Morris will bring to the Board of Directors his leadership experience in the medical industry, his expertise in developing and successfully launching new medical device products, and his deep knowledge of the medical field.

Claire Pomeroy, 66, has served since 2013 as President of the Albert and Mary Lasker Foundation, a private foundation that seeks to improve health by accelerating support for medical research through recognition of research excellence, public education and advocacy. Prior thereto, she served as Dean and Vice Chancellor of the University of California, Davis School of Medicine. She is an elected member of the National Academy of Medicine. Dr. Pomeroy has been a director of BD since 2014 and will resign from the BD Board of Directors upon the completion of the distribution. Dr. Pomeroy is also a director of Haemonetics Corporation.

She also serves on the Board of Directors of the Sierra Health Foundation, Center for Women in Academic Medicine and Science, iBiology/Science Communication Lab, the Science Philanthropy Alliance and Morehouse School of Medicine.

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

Karen N. Prange, 57, has served as a director of ViewRay since June 2021, a director of Atricure since December 2019, a director of Nevro since December 2019 and WS Audiology since March 2020. She has served as Strategic Advisor to Nuvo Group, LLC, a medical device company, since September of 2019 and Industrial Advisor to EQT Group, a global investment organization, since March 2020. She served as a member of the Board of Directors of Cantel Medical, a medical equipment company, from October 2019 until June 2021. Most recently, she was executive vice president and chief executive officer for the Global Animal Health, Medical and Dental Surgical Group at Henry Schein as well as a member of the Executive Committee. From 2012 to 2016, she served as senior vice president of Boston Scientific, and president of its Urology and Pelvic Health business. From 1995 to 2012, Ms. Prange held various roles of increasing leadership at Johnson & Johnson Company, most recently as General Manager of the Micrus Endovascular and Codman Neurovascular businesses. Ms. Prange earned her Bachelor of Science in Business Administration with honors from the University of Florida and has completed executive education coursework at UCLA Anderson School of Business and Smith College. Ms. Prange will bring to the Board of Directors her public company governance experience and leadership experience in the medical industry.

Christopher R. Reidy, 65, is Executive Vice President and Chief Administrative Officer at BD. Mr. Reidy also previously served as Chief Financial Officer of BD from July 2013 to September 2021. During his time at BD, Mr. Reidy has been responsible for the executive management and oversight of BD's global financial operations, and for the leadership of its Shared Services, Information Technology and Business Development functions. Mr. Reidy will retire from BD upon the earlier of March 31, 2022 or the completion of the distribution. Mr. Reidy joined BD from ADP Corporation, where he served as corporate vice president and CFO for six years. Prior to ADP, Mr. Reidy served as CFO at NBA Properties, Inc., vice president, controller, chief accounting officer and division-level CFO roles at AT&T Corporation and audit partner at Deloitte & Touche. Mr. Reidy serves on the Board of Directors of Encompass Health Corporation and is a member of its Audit and Finance Committees. He also sits on the Board of Directors of the Atlantic Health System and is a member of the Executive Committee, Chair of the Finance Committee and a member of the Quality Committee. Mr. Reidy, a certified public accountant, earned a bachelor's degree in accounting from St. Francis College and a master's degree in business administration from Harvard University. Mr. Reidy will bring to the Board of Directors his financial expertise and leadership experience in the medical industry.

Upon the completion of the distribution, Embecta's amended and restated certificate of incorporation will provide that, until the annual stockholder meeting in 2026, Embecta's Board of Directors will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors. The directors designated as Class I directors will have terms expiring at the first annual meeting of stockholders following the distribution, which Embecta expects to hold in 2023, and will be up for re-election at that meeting for a three-year term to expire at the 2026 annual meeting of stockholders. The directors designated as Class II directors will have terms expiring at the 2024 annual meeting of stockholders and will be up for re-election at that meeting for a two-year term to expire at the 2026 annual meeting of stockholders. The directors designated as Class III directors will have terms expiring at the 2025 annual meeting of stockholders and will be up for re-election at that meeting for a one-year term to expire at the 2026 annual meeting of stockholders. Commencing with the 2026 annual meeting of stockholders, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and Embecta's Board of Directors will thereafter no longer be divided into classes. Before Embecta's Board of Directors is declassified, it would take at least two annual meetings of stockholders to be held for any individual or group to gain control of Embecta's Board of Directors.

Director Independence

Providing objective, independent judgment will be at the core of the Board of Director's oversight function. Embecta's Corporate Governance Principles will contain guidelines (the "Director Independence Guidelines") that will set forth certain criteria to assess the independence of directors of Embecta. Under the Director Independence Guidelines, which will conform to the corporate governance listing standards of Nasdaq, a director will not be considered "independent" unless the Board of Directors affirmatively determines that the director has no material relationship with Embecta or any subsidiary in the consolidated group. The Director Independence Guidelines will comprise a list of all categories of material relationships affecting the determination of a director's independence. Any relationship that falls below a threshold set forth in the Director Independence Guidelines, or is not otherwise listed in the Director Independence Guidelines, and is not required to be disclosed under Item 404(a) of SEC Regulation S-K, will be deemed to be an immaterial relationship.

Embecta's Board of Directors is expected to affirmatively determine that each of David F. Melcher, David J. Albritton, Carrie L. Anderson, Robert (Bob) J. Hombach, Milton M. Morris, Ph.D., Claire Pomeroy and Karen N. Prange, constituting a majority of the directors of Embecta, will be independent under the Director Independence Guidelines.

Committees of the Board of Directors

Effective upon the completion of the distribution, Embecta's Board of Directors will have the following committees, each of which will operate under a written charter that will be posted to Embecta's website concurrently with, or immediately after, the distribution: the Audit Committee, the Compensation and Management Development Committee, the Corporate Governance and Nominating Committee and the Technology Committee.

Audit Committee

The Audit Committee will be established in accordance with Rule 10A-3 under the Exchange Act and the listing rules of Nasdaq. The responsibilities of the Audit Committee will be more fully described in the Audit Committee charter. We anticipate that these responsibilities will include:

- retaining and reviewing the qualifications, independence and performance of Embecta's registered public accounting firm (the "independent auditors");
- reviewing Embecta's public financial disclosures and financial statements, and its accounting principles, policies and practices; the scope and results of the annual audit by the independent auditors; Embecta's internal audit process; and the effectiveness of Embecta's internal control over financial reporting;
- reviewing Embecta's guidelines and policies relating to enterprise risk assessment and management;
- overseeing Embecta's ethics and enterprise compliance programs; and
- reviewing financial strategies regarding currency, interest rates and use of derivatives, and Embecta's insurance program.

Robert (Bob) J. Hombach, Karen N. Prange and Carrie L. Anderson are expected to be the members of the Audit Committee. Mr. Hombach is expected to be the Audit Committee Chair. Each member of the Audit Committee is expected to be financially literate, and Embecta's Board of Directors is expected to determine that at least one member of the Audit Committee is an "audit committee financial expert" for purposes of the rules of the SEC. In addition, Embecta expects that its Board of Directors will determine that each of the members of the Audit Committee will be independent, as defined by the rules of Nasdaq, Section 10A(m)(3) of the Exchange Act, and in accordance with Embecta's Director Independence Guidelines.

Compensation and Management Development Committee

The Compensation and Management Development Committee will have the responsibilities set forth in the charter of such committee. We anticipate that these responsibilities will include:

- Reviewing Embecta's compensation and benefits programs, recommending the compensation of Embecta's Chief Executive Officer to the independent members of the Board of Directors, and approving the compensation of Embecta's other executive officers;
- Approving all employment, severance and change in control agreements with Embecta's executive officers;
- Serving as the granting and administrative committee for Embecta's equity compensation plans, including grants to directors;
- Overseeing certain other Embecta benefit plans; and
- Reviewing initiatives for identifying and developing leaders and candidates for senior leadership positions.

Executive officers will not determine the amount or form of executive or director compensation, although Embecta's Chief Executive Officer will provide recommendations to the Compensation and Management Development Committee regarding compensation changes and incentive compensation for executive officers other than himself.

Karen N. Prange, Robert (Bob) J. Hombach, and Milton M. Morris, Ph.D. are expected to be the members of the Compensation and Management Development Committee. Ms. Prange is expected to be the Chair of such committee. Embecta's Board of Directors is expected to determine that each member of the Compensation and Management Development Committee will be independent, as defined by the rules of Nasdaq and in accordance with Embecta's Director Independence Guidelines. In addition, Embecta expects that the members of the Compensation and Management Development Committee will qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee will have the responsibilities set forth in the charter of such committee. Embecta anticipates that these responsibilities will include:

- identifying and recommending candidates for election to the Board of Directors;
- reviewing the composition, structure and function of the Board of Directors and its committees, as well as the compensation of non-management directors;
- monitoring Embecta's corporate governance and Board practices, and overseeing the Board of Directors' self-evaluation process; and
- overseeing matters impacting Embecta's image, reputation and corporate responsibility, including communications, community relations, public policy and government relations, and environmental, social and governance matters.

Claire Pomeroy, Carrie L. Anderson and David J. Albritton are expected to be the members of the Corporate Governance and Nominating Committee. Ms. Pomeroy is expected to be the Chair of such committee. Embecta's Board of Directors is expected to determine that each member of the Corporate Governance and Nominating Committee will be independent, as defined by the rules of Nasdaq and in accordance with the Director Independence Guidelines.

Technology Committee

The Technology Committee will have the responsibilities set forth in the charter of such committee. Embecta anticipates that these responsibilities will include overseeing Embecta's key innovation activities and new product development and commercialization programs, including:

- progress against program objectives;
- organizational integration and capabilities; and
- potentially disruptive trends in technology, medical practice and the external environment.

Christopher R. Reidy, Claire Pomeroy, David J. Albritton and Milton M. Morris, Ph.D. are expected to be the members of the Technology Committee. Mr. Reidy is expected to be the Chair of such committee.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended September 30, 2021, Embecta was not an independent company and did not have a compensation committee or any other committee serving a similar function. Decisions as to the compensation of those who currently serve as Embecta's executive officers were made by BD, as described in the section of this information statement entitled "Compensation Discussion and Analysis."

Corporate Governance

Corporate Governance Principles

Embecta's commitment to good corporate governance is embodied in Embecta's Corporate Governance Principles (the "Governance Principles"). The Governance Principles set forth the Board of Directors' views and practices regarding a number of governance topics, and the Corporate Governance and Nominating Committee assesses the Governance Principles on an ongoing basis in light of current practices. The Governance Principles are available on Embecta's website at *www.embecta.com*. Printed copies of the Governance Principles may be obtained, without charge, by contacting the Corporate Secretary, Embecta Corp., 1 Becton Drive, Franklin Lakes, NJ 07417; telephone (201) 847-6800.

The Embecta website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Board of Directors Leadership Structure

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

The Governance Principles provide for the appointment of a Lead Director from among the Board of Directors' independent directors whenever the Chairman is not independent. David F. Melcher is expected to serve as the independent Chair.

Embecta expects that shareholders' interests will be protected by effective and independent oversight of management. Seven out of nine directors of Embecta are expected to be independent as defined by the listing standards of Nasdaq and Embecta's Director Independence Guidelines. Each of the Board of Directors'

three statutory standing committees—the Audit Committee, the Compensation and Management Development Committee and the Corporate Governance and Nominating Committee—are expected to be composed solely of independent directors.

Board, Committee and Director Evaluations

The Board of Directors believes a rigorous self-evaluation process is important to the ongoing effectiveness of the Board of Directors. To that end, each year, the Board of Directors will conduct a self-evaluation of its performance that will allow directors to provide individual feedback on the Board of Directors' composition, culture, committee structure, relationship with management, meetings, oversight of strategy and risk, and other Board of Directors-related topics. The results of the self-evaluation will be presented by the Chair of the Corporate Governance and Nominating Committee to the full Board of Directors. As part of the evaluation, the Board of Directors will assess the progress in the areas targeted for improvement in the previous year's self-evaluation, and develop actions to be taken to enhance the Board of Directors' effectiveness over the next year. The Board of Directors' evaluation process will include engagement of an external, independent third party advisor to conduct periodic evaluations. Each Committee will conduct an annual self-evaluation of its performance through a similar process.

Nominating Board Candidates – Procedures and Director Qualifications

Shareholder Recommendations for Director Nominees

To recommend a candidate for consideration by the Corporate Governance and Nominating Committee, a shareholder should submit a written statement of the qualifications of the proposed nominee, including full name and address, to: Embecta Corp., Corporate Governance and Nominating Committee, c/o Corporate Secretary, 1 Becton Drive, Franklin Lakes, NJ 07417. The written submission should comply with all requirements set forth in Embecta's amended and restated certificate of incorporation and amended and restated bylaws. The committee will consider all candidates recommended by shareholders in compliance with the foregoing procedures and who satisfy the minimum qualifications for director nominees and Board of Directors member attributes.

Shareholder Nominations

Embecta's amended and restated certificate of incorporation and amended and restated bylaws will provide that any stockholder entitled to vote at an annual meeting of stockholders may nominate one or more director candidates for election at that annual meeting by following certain prescribed procedures. The stockholder must provide to Embecta's Corporate Secretary timely written notice of the stockholder's intent to make such a nomination or nominations. In order to be timely, the stockholder must provide such written notice not earlier than the 120th day and not later than the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of 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 10th day following the day on which public announcement of the date of such meeting is first made. The notice must contain all of the information required in Embecta's amended and restated certificate of incorporation and amended and restated bylaws. Any such notice must be sent to Embecta's principal executive offices: Embecta Corp., c/o Corporate Secretary, 1 Becton Drive, Franklin Lakes, NJ 07417.

Role of the Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee will review potential director candidates and recommend nominees for director to the full Board of Directors for its consideration based on the Corporate

Governance and Nominating Committee's assessment of the overall composition of the Board of Directors. The Board of Directors believes that having members with a diverse mix of viewpoints, insights and perspectives is critical to board effectiveness, and seeks to have members that collectively possess a wide range of relevant business and financial expertise, industry knowledge, management experience and prominence in areas of importance to Embecta that fit the current and future needs of the Board of Directors. The Board of Directors believes that gender and minority representation is an important element in achieving the broad range of perspectives that the Board of Directors seeks among its members, and is also important for promoting the culture of inclusion and diversity at Embecta. To that end, the Board of Directors will adopt a policy that diverse candidates be included in any pool from which new directors are selected.

It will be the Corporate Governance and Nominating Committee's policy to consider referrals of prospective director nominees from other Board members and management, as well as stockholders and other external sources, such as retained executive search firms. The Corporate Governance and Nominating Committee will seek to identify a diverse range of qualified candidates, and utilizes the same criteria for evaluating candidates, irrespective of their source.

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

1. Candidates should be persons of high integrity who possess independence, forthrightness, inquisitiveness, good judgment and strong analytical skills.
2. Candidates should demonstrate a commitment to devote the time required for Board duties, including, but not limited to, attendance at meetings.
3. Candidates should be team-oriented and committed to the interests of all stockholders as opposed to those of any particular constituency.

Board of Directors' Role in Risk Oversight

Role of the Board of Directors and Committees. Embecta's management will engage in an enterprise risk management ("ERM") process to identify, assess, manage and mitigate a broad range of risks across Embecta's businesses, regions and functions, and to ensure alignment of Embecta's risk assessment and mitigation efforts with Embecta's corporate strategy. The Audit Committee, through the authority delegated to it by the Board of Directors, will be primarily responsible for overseeing Embecta's ERM activities. At least twice a year, senior management will review the results of its ERM activities with the Audit Committee, including the process used within the organization to identify risks, management's assessment of the significant categories of risk faced by Embecta (including any changes in such assessment since the last review), and management's plans to mitigate potential exposures. The significant risks identified through Embecta's ERM activities and the related mitigation plans will also be reviewed with the full Board of Directors at least once a year. In addition, particular risks (such as cybersecurity) will be reviewed in-depth with the Audit Committee or the full Board of Directors.

The full Board of Directors will also review the risks associated with Embecta's strategic plan and discuss the appropriate levels of risk in light of Embecta's business objectives. This will be done through an annual strategy review process, and from time-to-time throughout the year as part of the Board of Directors' ongoing review of corporate strategy. The full Board of Directors will also regularly oversee other areas of potential risk, including Embecta's capital structure, significant acquisitions and divestitures, and succession planning for Embecta's CEO and other members of senior management.

The various committees of the Board of Directors will also be responsible for monitoring and reporting to the full Board of Directors on risks associated with their respective areas of oversight. The Audit Committee,

among other things, will oversee Embecta's accounting and financial reporting processes and the integrity of Embecta's financial statements, Embecta's global ethics and compliance program, and its hedging activities and insurance coverages. The Compensation and Management Development Committee will oversee risks associated with Embecta's compensation practices and programs, and the Corporate Governance and Nominating Committee will oversee risks relating to Embecta's corporate governance practices, including director independence, related person transactions and conflicts of interest, as well as matters relating to Embecta's standing as a responsible corporate citizen (including community relations, charitable activities, public policy and government relations, sustainability and other social and environmental matters). In connection with its oversight responsibilities, each Committee will meet with the members of management who are primarily responsible for the management of risk in their respective areas.

Risk assessment of compensation programs. With respect to Embecta's compensation policies and practices, Embecta's management will review its policies and practices to determine whether they create risks that are reasonably likely to have a material adverse effect on Embecta. In connection with this risk assessment, management will review the design of Embecta's compensation and benefits programs (in particular, Embecta's performance-based compensation programs) and related policies, potential risks that could be created by the programs, and features of Embecta's programs that help mitigate risk. Among the factors that will be considered will be the mix of cash and equity compensation, and of fixed and variable compensation, paid to Embecta's associates; the balance between short- and long-term objectives in Embecta's incentive compensation; the performance targets, mix of performance metrics, vesting periods, threshold performance requirements and funding formulas related to Embecta's incentive compensation; the degree to which programs are formulaic or provide discretion to determine payout amounts; caps on payouts; Embecta's clawback and share retention and ownership policies; and Embecta's general governance structure.

Code of Conduct

Embecta will maintain a Code of Conduct that is applicable to all directors, officers and associates of Embecta, including Embecta's Chief Executive Officer, Chief Financial Officer, principal accounting officer and other senior financial officers. It will set forth Embecta's policies and expectations on a number of topics, including conflicts of interest, confidentiality, compliance with laws (including insider trading laws), preservation and use of Embecta's assets, and business ethics. The Code of Conduct will set forth procedures for addressing any potential conflict of interest (or the appearance of a conflict of interest) involving directors or executive officers, and for the confidential communication and handling of issues regarding accounting, internal control and auditing matters. Every Embecta associate will be required to complete annual training on the Code of Conduct.

Embecta will also maintain an Ethics Help Line telephone number (the "Help Line") for Embecta associates as a means of raising concerns or seeking advice. The Help Line will be available to all associates worldwide. Associates using the Help Line may choose to remain anonymous and all inquiries will be kept confidential to the extent practicable in connection with the investigation of an inquiry. All Help Line inquiries will be forwarded to Embecta's ethics and compliance department for investigation. The Audit Committee will be informed of any reported matters, whether through the Help Line or otherwise, that could potentially be significant to Embecta, including accounting, internal control or auditing matters, or any fraud involving management or persons who have a significant role in Embecta's internal controls.

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

The Code of Conduct will be available on Embecta's website at *www.embecta.com*.

Printed copies of the Code of Conduct, once available, may be obtained, without charge, by contacting the Corporate Secretary, Embecta Corp., 1 Becton Drive, Franklin Lakes, NJ 07417; telephone (201) 847-6800.

Enterprise Ethics and Compliance

Under the oversight of the Audit Committee, Embecta's global ethics and compliance function, which is part of the Embecta legal department, will seek to ensure that Embecta has a comprehensive compliance program that is designed to prevent and detect wrongdoing and continuously encourages lawful and ethical conduct. The ethics and compliance program will be integrated into Embecta's global business operations. Embecta will evaluate the effectiveness of its program and adapt it periodically to ensure it is appropriately tailored to address the risks inherent in Embecta's global business.

Communications with Directors

The Board of Directors will be committed to meaningful engagement with Embecta stockholders and will welcome input and suggestions. Stockholders and other interested parties wishing to contact the Chairman or the non-management directors as a group will be able to do so by sending a written communication to the attention of the Lead Director c/o Embecta Corp., Corporate Secretary's Office, 1 Becton Drive, Franklin Lakes, NJ 07417.

Communications addressed to the Board of Directors or to a member of the Board of Directors will be distributed to the Board of Directors or to any individual director or directors as appropriate, depending upon the facts and circumstances outlined in the communication.

The Board of Directors is expected to ask the Corporate Secretary's office to submit to the Board of Directors all communications received, including, but not limited to, product complaints and product inquiries, new product or technology suggestions, job inquiries and resumes, advertisements or solicitations, and surveys, but in all cases excluding those items that are not related to Board of Directors duties and responsibilities, such as junk mail and mass mailings.

Procedures for Approval of Related Persons Transactions

Embecta will have a written Related Person Transaction Approval Policy regarding the review, approval and ratification of transactions between Embecta and related persons of Embecta. The policy will apply to any transaction subject to the requirements of Item 404(a) of Regulation S-K under the Exchange Act in which Embecta or an Embecta subsidiary is a participant and a related person has a direct or indirect material interest. A "related person" of Embecta will mean any person, who, since the beginning of Embecta's current fiscal year was a director or executive officer of Embecta, any nominee for director, any stockholder known to Embecta to be the beneficial owner of more than 5% of any class of Embecta's voting securities, and any immediate family member of any such person.

Under this policy, the Corporate Governance and Nominating Committee will review all of the relevant facts and circumstances regarding a transaction and determine whether to approve, ratify or reject a related person transaction. The Corporate Governance and Nominating Committee will approve or ratify only those related person transactions that it determines in its business judgment are fair and reasonable to Embecta and in, or not inconsistent with, the best interests of Embecta and its stockholders. In the event Embecta becomes aware of a related person transaction that has not been approved under this policy prior to its consummation, the matter will be reviewed by the Corporate Governance and Nominating Committee and it will consider all of the relevant facts and circumstances respecting such transaction and evaluate all options available to Embecta, including ratification, revision or termination of such transaction, and will take such course of action as it deems appropriate under the circumstances. The policy will operate in conjunction with other aspects of Embecta's compliance program, including its Business Conduct and Compliance Guide and Embecta's Governance Principles.

The following transactions are deemed not to constitute a related person transaction under the policy:

(i) Transactions available to employees generally, such as employee discounts;

(ii) Charitable contributions made by Embecta pursuant to Embecta's Charitable Contributions Policy, the Governance Principles, or Embecta's Matching Gifts Program; and

(iii) Indemnification and advancement of expenses made pursuant to Embecta's Certificate of Incorporation or By-Laws or pursuant to any agreement or instrument.

COMPENSATION DISCUSSION AND ANALYSIS

As discussed elsewhere in this information statement, BD is separating into two publicly traded companies: BD and Embecta. Embecta is currently a subsidiary of BD and is not yet an independent company, and its compensation committee has not yet been formed. During fiscal year 2021, BD's executive officers functioned as the ultimate executive officers of the diabetes care business. This Compensation Discussion and Analysis describes key features of the historical compensation practices of BD and outlines certain aspects of the anticipated compensation structure for Embecta executive officers following the separation. Embecta's pay practices are being developed and revised to fit with the pay philosophy of Embecta and therefore the amounts and forms of compensation reported below do not necessarily reflect the compensation Embecta executive officers will receive following the separation.

Following the separation and distribution, Embecta will have its own executive officers and its Board of Directors will have its own compensation committee (the "Embecta Compensation Committee"). Embecta's future compensation programs and policies will be subject to the review and approval of the Embecta Compensation Committee after the separation and distribution. For a list of the individuals expected to serve as executive officers of Embecta following the separation and distribution and their biographical information, see "Management". A description of certain Embecta executive compensation arrangements that are expected to become effective upon the occurrence of the separation and distribution is included below.

The individuals who will serve in the capacity of principal executive officer (CEO) or principal financial officer (CFO) and Embecta's other three most highly compensated executive officers (other than the CEO and CFO), collectively referred to as Embecta's Named Executive Officers, or "NEOs," following the separation are listed below. None of Embecta's NEOs were designated as executive officers of BD prior to the separation and distribution.

- Devdatt (Dev) Kurdikar was hired in February 2021 to serve as Embecta's Chief Executive Officer, effective as of the separation and distribution.
- Jacob (Jake) Elguicze was hired in May 2021 to serve as Embecta's Senior Vice President and Chief Financial Officer, effective as of the separation and distribution.
- Ajay Kumar was chosen to serve as Embecta's Senior Vice President and Chief Human Resources Officer, effective as of the separation and distribution.
- Shaun Curtis was chosen to serve as Embecta's Senior Vice President, Global Manufacturing and Supply Chain, effective as of the separation and distribution.
- Jeff Mann was hired in August 2021 to serve as Embecta's Senior Vice President, General Counsel, Head of Corporate Development, and Corporate Secretary, effective as of the separation and distribution.

Executive Compensation Objectives and Practices

The objectives of the BD executive compensation program include the following:

- **Aligning the interests of BD's executives with BD's shareholders** through equity compensation and share retention guidelines.
- **Driving superior business and financial results** by setting clear, measurable short- and long-term performance targets that support BD's business strategy and the creation of long-term shareholder value, while at the same time taking care to ensure that BD's executives are not **incentivized** to take inappropriate risks.
- **Maintaining a pay-for-performance philosophy** by tying a significant portion of pay to performance against performance targets.
- **Offering competitive compensation** that helps attract and retain high-performing executives who are essential to executing BD's strategy and creating long-term value for BD's shareholders.

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

Following the separation and distribution, compensation of the executive officers of Embecta, including that of the Embecta NEOs, will be overseen by the Embecta Compensation Committee or, where appropriate, the independent members of the Embecta Board of Directors. The Embecta Compensation Committee will evaluate and determine the appropriate executive compensation philosophy for Embecta.

Embecta anticipates that the Embecta Compensation Committee will, on an ongoing basis, review best practices in governance and executive compensation to ensure that Embecta's executive compensation programs align with Embecta's core principles. As such, Embecta anticipates that the post-distribution executive compensation programs in which the NEOs participate will contain certain key governance practices, including the following, which are important aspects of the BD executive compensation program:

- ***Balanced Mix of Pay Components and Incentives.*** A balanced mix of cash and equity compensation, and of annual and long-term incentives. The key elements of the program are salary, annual cash incentives under an annual bonus plan, and long-term equity compensation.
- ***Significant Performance-Based Compensation Tied to Business Strategy.*** An emphasis on pay-for-performance to align executive compensation with the execution of business strategy and the creation of long-term shareholder value. Performance metrics that align with and support company business strategy. Emphasizing "at risk" pay tied to performance, but taking care that the program does not encourage excessive risk-taking by management.
- ***Share Retention Guidelines and Policy against Pledging/Hedging.*** Robust share retention and ownership guidelines for executives and a prohibition from pledging company shares or hedging against the economic risk of their ownership.
- ***Limited Perquisites.*** Perquisites for executives only to the extent they are reasonable and consistent with the compensation goal of attracting and retaining superior executives for key positions.
- ***Clawback Policy.*** A compensation recovery policy that gives the Embecta Board of Directors the authority to recover incentive compensation paid to senior management in the event of a restatement of Embecta's financial statements resulting from misconduct, and to recover equity compensation awarded to a member of management if such executive breaches certain restrictive covenants.
- ***Change in Control Arrangements.*** "Double-trigger" accelerated vesting in equity compensation awards, to provide continuity of management in the event of an actual or potential change in control. No excise tax "gross-ups" for executives.
- ***Use of Independent Consultant.*** Use of an independent consultant to assist in designing compensation programs and making compensation decisions, who does not provide any services to Embecta or management.

How Executive Compensation Decisions Are Made at BD

The BD Compensation Committee oversees the compensation program for BD executive officers, including the program design and performance targets. The BD Compensation Committee recommends compensation actions regarding the BD CEO for approval by the independent members of the BD Board of Directors and sets the compensation of the other executive officers.

The BD Compensation Committee is assisted in fulfilling its responsibilities by its independent consultant, Pay Governance LLC ("Pay Governance"), and BD's senior management.

Pay Governance is engaged by, and reports directly to, the BD Compensation Committee. Pay Governance assists the BD Compensation Committee in the design and implementation of BD's compensation program, including the selection of the key elements of the program, setting of targeted payments for each element, and establishment of performance targets, and conducts an annual review of the compensation practices of select peer companies, and advises the BD Compensation Committee with respect to the competitiveness of BD's compensation program in comparison to industry practices, and identified any trends in executive compensation.

The BD Compensation Committee's meetings are typically attended by BD's CEO, its Chief Human Resources Officer and other BD associates who support the BD Compensation Committee in fulfilling its responsibilities. The BD Compensation Committee considers management's views on compensation matters, including the performance metrics and targets for BD's performance-based compensation. Management also provides information (which is reviewed by BD's Internal Audit department and the Audit Committee) to assist the BD Compensation Committee in determining the extent to which performance targets have been achieved.

Embecta expects that the Embecta Compensation Committee will adopt a similar role to the role of the BD Compensation Committee following the separation and distribution. The Embecta Compensation Committee is expected to engage a compensation consultant, but no such consultant has been engaged at this time.

Use of Market Comparison Data

The BD Compensation Committee considers several factors in structuring BD's compensation program, determining pay components and making compensation decisions. This includes the compensation practices of select peer companies to BD in the healthcare industry (the "BD Comparison Group"). These companies are chosen by the BD Compensation Committee after considering the recommendations of Pay Governance and management at the beginning of the fiscal year. The BD Compensation Committee aims to select companies that have significant lines of business that are similar to BD's, are of comparable size in revenue and market capitalization, and compete with BD for executive talent.

In making determinations with respect to the compensation of Embecta NEOs, BD used a similar process and used a peer group that it believed was aligned with the Embecta's business and size (the "Embecta Comparison Group"). The companies in the Embecta Comparison Group for 2021 are below.

Embecta Comparison Group

Resmed Inc.
Idexx Laboratories
Dexcom, Inc.
Masimo Corporation
Insulet Corporation
Varex Imaging Corporation
Hill-Rom Holdings
Teleflex Incorporated
Integer Holdings Corporation
Nuvasive Inc.
Abiomed Inc.
Penumbra Inc.

Where the sample size from the Embecta Comparison Group was not large enough for a particular executive officer, data from a secondary peer group or, more broadly, the general industry was used. For the Embecta NEOs, the secondary peer group included Envista Holding Corporation, Integra Lifesciences Holdings, Natus Medical Inc., CONMED Corp., Globus Medical, Cantel Medical, Varian Medical Systems, Orthofix, Accuray, and Nevro. Data from both the Comparison Group and the secondary peer group were used for each Embecta NEO in 2021 due to insufficient availability of Comparison Group benchmark data.

The BD Compensation Committee attempts to set the salary, annual cash incentive and equity compensation of its executive officers at levels that are competitive with that paid to persons holding the same or similar

positions at the Comparison Group or secondary peer group companies, as applicable, using available market comparison data regarding these companies as a guide. The BD Compensation Committee (and the independent directors, in the case of the BD CEO) uses the 50th and 75th percentile of the Comparison Group or secondary peer group as reference points and generally seeks to set the compensation of NEOs within a competitive range of those companies, assuming payout of performance-based compensation at target. The use of market comparison data, however, is just one of the tools used to determine executive compensation, and the BD Compensation Committee and the independent directors retain the flexibility to set target compensation at levels deemed appropriate for an individual or for a specific element of compensation.

It is expected that following the separation, the Embecta Compensation Committee will establish a comparison group following the separation, which will reflect a group of companies with similar or adjacent business models, and that source talent from the same labor pools as Embecta, and that this Embecta comparison group will be utilized in a manner similar to the BD Comparison Group.

Key Elements of the Executive Compensation Program

The key elements of BD's executive compensation program, which covered Embecta NEOs prior to the separation, are summarized below.

Component	Description	Purpose
Base Salary	Fixed cash compensation based on performance, scope of responsibilities, experience and competitive pay practices.	Provide a fixed, baseline level of compensation.
Annual Short-Term Incentive	Annual variable cash payment tied to performance during the fiscal year.	Drive business performance towards achievement of annual goals. Reward individual contributions to BD's performance.
Long-term equity compensation:		
SARs	Exercisable for shares based on difference between exercise price and BD stock price.	Increase executive ownership to align interests with shareholders. Promote executive retention.
Performance Units	Performance-based restricted stock units, with payout tied to BD's performance over three-year performance period.	Drive long-term, sustained business performance.
TVUs	Restricted stock units that vest in equal annual installments over three years from grant.	Reward creation of shareholder value.
Employee Benefits and Perquisites	Retirement plan, deferred compensation plan, health and welfare benefits.	Consistent with benefits provided to other employees.

It is expected that Embecta's executive compensation program will initially be patterned after the BD executive compensation program and will consist of the same four principal elements: (1) annual base salary, (2) annual short-term incentive, (3) annual long-term incentive, and (4) employee benefits and limited executive perquisites.

Annual Base Salary

Annual base salary provides a fixed incentive that corresponds to an executive's experience and job scope. The annual base salary rate of each identified Embecta NEO as of September 30, 2021 is set forth in the table below.

Executive Officer	Annual Base Salary
Devdatt (Dev) Kurdikar, Chief Executive Officer	$ 700,000
Jacob (Jake) Elguicze, SVP and Chief Financial Officer	$ 450,000
Ajay Kumar, SVP and Chief Human Resources Officer	$ 333,871
Shaun Curtis, SVP, Global Manufacturing and Supply Chain	$ 272,530
Jeff Mann, SVP, General Counsel, Head of Corporate Development and Corporate Secretary	$ 450,000

Embecta expects that the Embecta Compensation Committee will review annual base salaries for Embecta's executive officers each year in order to ensure alignment with current market levels.

Annual Short-Term Incentive

The BD PIP provides executives an opportunity to receive a cash award for BD's performance for the fiscal year and their contribution to that performance. The Embecta NEOs participated in the BD PIP during the 2021 fiscal year, other than Mr. Mann, who was hired after the eligibility date for the 2021 PIP had passed. Associates who are eligible for awards under the PIP have target awards that are expressed as a percentage of base salary. The factors considered in setting the PIP awards include the level of available funding, the executive's target award and the executive's individual performance.

For the diabetes care business specifically, funding for PIP awards was based on a combination of the performance of the BD Medical segment, of which the diabetes care business is a part, and the performance of the diabetes care business itself, with Medical segment performance weighted 25% and diabetes care business performance weighted 75%. In measuring the performance of the diabetes care business, performance targets were set that were tied to revenue, operating income before taxes ("OIBT") and days inventory on hand targets, with revenue and OIBT performance weighted 40% and days inventory on hand weighted 20%. The performance of the BD Medical segment and the diabetes care business during fiscal year 2021 resulted in a funding factor of approximately 141% of target under the PIP.

When comparing the operating results of the diabetes care business to the performance targets, adjustments are made for unbudgeted items that are not considered part of ordinary operations. This ensures that business decisions are made based on what management believes is in the best interests of BD, rather than the possible effects on compensation. It also ensures that executives are not rewarded for or unfairly penalized by these types of events.

The table below reflects the 2021 fiscal year annual short-term incentive opportunity of each identified Embecta NEO under the BD PIP and the actual amount awarded with respect to 2021 which were pro-rated for Messrs. Kurdikar, and Elguicze based on the portion of the 2021 fiscal year during which they were employed by BD.

Executive Officer	Base Salary(1)	Target Opportunity (as a Percentage of Base Salary)	Target Opportunity	Actual Bonus 2021
Devdatt (Dev) Kurdikar	$ 446,849	85%	$ 379,822	$ 536,366
Jacob (Jake) Elguicze	$ 182,466	70%	$ 127,726	$ 180,368
Ajay Kumar	$ 333,871	40%	$ 133,548	$ 192,557
Shaun Curtis	$ 274,943	35%	$ 96,230	$ 135,891
Jeff Mann	Not Eligible for Annual Short-Term Incentive in FY21			

(1) Base salary for Mr. Kurdikar and Mr. Elguicze reflects the pro-rated base salary used to calculate actual bonus for 2021.

Embecta expects that the Embecta Compensation Committee will adopt an annual incentive plan that covers the Embecta NEOs following the separation.

Equity Compensation Awards

BD uses a mix of equity compensation vehicles to promote the objectives of the BD compensation program. SARs reward executives for the creation of shareholder value over the term of the award, and Performance Units measure BD's performance over a three-year period and are intended to reward sustained long-term financial performance. TVUs vest in equal annual installments over a three-year vesting period. Because they are equity-based and subject to long-term vesting periods, these awards also serve to align the interests of executives with those of shareholders and promote executive retention.

The table below reflects the 2021 fiscal year annual long-term incentive awards granted to each identified Embecta NEO by BD. At the time of the separation, these awards will be converted into equity awards with respect to Embecta stock, as discussed in the section entitled "The Separation and Distribution—Treatment of Equity-Based Compensation" of this information statement.

Executive Officer	SARs (#)	TVUs (#)	Performance Units (#)
Devdatt (Dev) Kurdikar	15,341	1,601	3,265
Jacob (Jake) Elguicze	0	822	0
Ajay Kumar	3,341	256	521
Shaun Curtis	2,081	180	366
Jeff Mann	0	0	0

Following the separation, the Embecta Compensation Committee will develop its own long-term incentive program, which Embecta expects will include several forms of equity-based awards.

Employee Benefits and Limited Executive Perquisites

BD offers a variety of health and welfare programs to all eligible employees, including the Embecta NEOs. Embecta expects that, for a period following the separation, Embecta employees, including the NEOs, will continue to participate in the BD health and welfare benefit programs, including medical and dental care coverage, life insurance coverage and short and long-term disability. Embecta anticipates that Embecta will put in place its own health and welfare programs at a later date, and that the Embecta NEOs will be eligible to participate in the Embecta programs on the same basis as other Embecta employees. The Embecta NEOs are not provided significant perquisites. Embecta expects to limit the use of perquisites as a method of compensation and provide executive officers with only those perquisites that Embecta believes are reasonable and consistent with its compensation goal of enabling Embecta to attract and retain superior executives for key positions.

Letter Agreements with Embecta NEOs

BD has entered into letter agreements with certain Embecta NEOs. Embecta expects that these letter agreements will be assigned to Embecta as of the separation and distribution. The material terms of these letters and agreements are described below.

Letter Agreement with Embecta Chief Executive Officer

BD entered into a letter agreement with Mr. Kurdikar on January 25, 2021 in anticipation of his commencement of employment no later than March 15, 2021. The letter agreement was approved by the BD Compensation Committee based on BD management's recommendation and benchmarking information.

The letter agreement provides for Mr. Kurdikar to initially serve as Worldwide President—Diabetes Care and provides for an initial compensation package from BD that includes an annual base salary of $700,000, a target annual bonus of 85% of base salary, and a target annual long-term incentive award value of $2,000,000. Pursuant to the agreement, Mr. Kurdikar received a signing bonus of $200,000 (generally subject to repayment on a prorated basis upon a voluntary termination by Mr. Kurdikar without good reason during the first 12 months of employment) and was awarded a sign-on long-term incentive award of $2,000,000, 20% in the form of TVUs, vesting in three ratable annual installments, 40% in the form of PSUs, vesting over a three-year period, and 40% in the form of SARs, vesting in four ratable annual installments.

The letter agreement anticipates that Mr. Kurdikar will become Embecta's Chief Executive Officer following the separation, and provides following the separation for an annual base salary of $825,000, a target annual bonus of 110% of base salary, and a target annual long-term incentive award value of $4,000,000 (for fiscal year 2022, Mr. Kurdikar will receive an incremental award for such year upon separation with a grant date value equal to the excess of his post-separation target long-term incentive award value over the grant date value of his BD long-term incentive award granted earlier in such year). The agreement additionally provides for a one-time equity award upon consummation of the separation, with a grant date fair market value of $4,000,000, which will be composed of 50% of TVUs and 50% of SARs, each of which will vest on the third anniversary of the separation, subject to Mr. Kurdikar's continued employment.

If Mr. Kurdikar's employment is terminated without cause, or if he terminates employment for good reason, he will be entitled to a lump sum severance payment equal to two times his base salary plus target bonus (based on his initial rate at BD), as well as a prorated bonus, welfare benefit continuation at employee rates for two years, vesting of his sign-on long-term incentive awards, and prorated vesting of any annual BD awards. In the event that the termination relates to Embecta being purchased in a sale transaction or being formed as a joint venture, the cash severance will instead equal three times his post-separation base salary plus target bonus.

For purposes of the agreement, good reason includes (1) Mr. Kurdikar not being appointed public company CEO of Embecta within 18 months following his commencement of employment, (2) a decision by BD not to consummate the separation, (3) instead of a separation, Embecta being purchased in a sale transaction or formed as a joint venture, (4) a diminution in Mr. Kurdikar's reporting or change in reporting to the CEO of BD, or (5) a decrease in Mr. Kurdikar's base salary, target bonus, or target equity compensation levels. Any good reason claim is subject to notice and a cure opportunity.

For purposes of the agreement, cause includes (1) falsification of company records/misrepresentation, (2) theft, (3) acts or threats of violence, (4) refusal to carry out assigned work, (5) unauthorized possession of alcohol or illegal drugs on company premises, (6) being under the influence of alcohol or illegal drugs during work hours, (7) willful intent to damage or destroy company property, (8) acts of discrimination/harassment, (9) conduct jeopardizing the integrity of company products, (10) violation of company rules, policies or practices, or (11) other conduct considered to be detrimental to the company.

Pursuant to the letter agreement, Mr. Kurdikar committed to sign, and did later sign, the BD Employee Agreement and Associate Acknowledgment & Agreement, which includes certain restrictive covenants.

Letter Agreement with Embecta Chief Financial Officer

BD entered into a letter agreement with Mr. Elguicze on April 9, 2021 in anticipation of his commencement of employment on May 6, 2021. The letter agreement provides for Mr. Elguicze initially to serve as SVP Finance—Diabetes Care, and provides for an annual base salary of $450,000, a target annual bonus of 70% of base salary, and a target annual long-term incentive award value of $1,000,000. Pursuant to the agreement, Mr. Elguicze received a signing bonus of $150,000 (generally subject to repayment on a prorated basis upon a voluntary termination by Mr. Elguicze without good reason during the first 12 months of employment) and was awarded a sign-on long-term incentive award of $200,000, in the form of TVUs vesting in three ratable annual installments.

The letter agreement anticipates that Mr. Elguicze will become Embecta's Chief Financial Officer following the separation, and provides for a one-time equity award upon consummation of the separation with a grant date fair market value of $1,000,000, which will be comprised 50% of TVUs and 50% of SARs, each of which will vest on the third anniversary of the separation, subject to Mr. Elguicze's continued employment.

If Mr. Elguicze's employment is terminated without cause, he will be entitled to a lump sum severance payment equal to one times his base salary plus target bonus, as well as a prorated bonus and welfare benefit continuation at employee rates for one year.

For purposes of the agreement, cause includes (1) falsification of company records/misrepresentation, (2) theft, (3) acts or threats of violence, (4) refusal to carry out assigned work, (5) unauthorized possession of alcohol or illegal drugs on company premises, (6) being under the influence of alcohol or illegal drugs during work hours, (7) willful intent to damage or destroy company property, (8) acts of discrimination/harassment, (9) conduct jeopardizing the integrity of company products, (10) violation of company rules, policies or practices, or (11) other conduct considered to be detrimental to the company.

Pursuant to the letter agreement, Mr. Elguicze has committed to sign the BD Employee Agreement and Associate Acknowledgment & Agreement, which includes certain restrictive covenants.

Letter Agreement with Embecta General Counsel, Head of Corporate Development and Corporate Secretary

BD entered into a letter agreement with Mr. Mann on May 26, 2021 in anticipation of his commencement of employment on August 2, 2021. The letter agreement provides for Mr. Mann initially to serve as SVP, General Counsel and Head of Corporate Development, Diabetes Care, and provides for an annual base salary of $450,000, a target annual bonus of 60% of base salary, and a target annual long-term incentive award value of $1,000,000. Pursuant to the agreement, Mr. Mann received a signing bonus of $50,000 (generally subject to repayment on a prorated basis upon a voluntary termination by Mr. Mann without good reason during the first 12 months of employment).

The letter agreement anticipates that Mr. Mann will become Embecta's SVP, General Counsel, Head of Corporate Development, and Corporate Secretary following the separation, and provides for a one-time equity award upon consummation of the separation with a grant date fair market value of $1,000,000, which will be comprised 50% of TVUs and 50% of SARs, each of which will vest on the third anniversary of the separation, subject to Mr. Mann's continued employment.

If Mr. Mann's employment is terminated without cause, he will be entitled to a lump sum severance payment equal to one times his base salary plus target bonus, as well as a prorated bonus and welfare benefit continuation at employee rates for one year.

For purposes of the agreement, cause includes (1) falsification of company records/misrepresentation, (2) theft, (3) acts or threats of violence, (4) refusal to carry out assigned work, (5) unauthorized possession of alcohol or illegal drugs on company premises, (6) being under the influence of alcohol or illegal drugs during work hours, (7) willful intent to damage or destroy company property, (8) acts of discrimination/harassment, (9) conduct jeopardizing the integrity of company products, (10) violation of company rules, policies or practices, or (11) other conduct considered to be detrimental to the company.

Pursuant to the letter agreement, Mr. Mann has committed to sign the BD Employee Agreement and Associate Acknowledgment & Agreement, which includes certain restrictive covenants.

Letter Agreement with Embecta Chief Human Resources Officer

BD entered into a letter agreement with Mr. Kumar on February 24, 2021 providing that he would be appointed as Embecta's Chief Human Resources Officer upon consummation of the separation. The letter

agreement provides a post-separation compensation package comprised of an annual base salary of $450,000, a target annual bonus of 60% of base salary, and a target annual long-term incentive award value of $500,000. The agreement also provides for a one-time equity award upon consummation of the separation with a grant date fair market value of $500,000, which will be comprised 50% of TVUs and 50% of SARs, each of which will vest on the third anniversary of the separation, subject to Mr. Kumar's continued employment. Pursuant to the letter agreement, Mr. Kumar received a $83,468 retention award from BD, which vested on August 30, 2021.

Letter Agreement with Embecta SVP, Global Manufacturing and Supply Chain

BD entered into a letter agreement with Mr. Curtis on August 13, 2021 providing that he would be appointed as Embecta's SVP, Global Manufacturing and Supply Chain upon consummation of the separation. The letter agreement provides a post-separation compensation package comprised of an annual base salary of $365,000, a target annual bonus of 50% of base salary, and a target annual long-term incentive award value of $350,000. The agreement also provides for a one-time equity award upon consummation of the separation with a grant date fair market value of $350,000, which will be comprised 50% of TVUs and 50% of SARs each of which will vest on the third anniversary of the separation, subject to Mr. Curtis's continued employment.

Other Benefits under the Executive Compensation Program

Pension Benefits

BD offers pension benefits to eligible U.S. associates. Embecta does not anticipate that any portion of the BD Retirement Plan will transfer to Embecta in connection with the separation, and Embecta does not expect that it will adopt a defined benefit pension plan.

Deferred Compensation

BD maintains the Deferred Compensation and Retirement Benefit Restoration Plan (the "DCP"), an unfunded, nonqualified plan that allows eligible associates to defer receipt of cash compensation and shares issuable under certain equity compensation awards on a pre-tax basis in addition to what is allowed under BD's tax-qualified 401(k) Plan, and BD also provides supplemental payments to certain employees through the DCP to offset any reductions in benefits that result from Code limits that are placed on benefits under the BD Retirement Plan (the "Restoration Benefit").

The DCP is offered as part of a competitive compensation program. BD does not provide any guaranteed earnings on amounts deferred under the DCP, and earnings on these accounts are based on individual investment elections. BD provides matching contributions on cash amounts deferred under the DCP, subject to certain limits.

Embecta expects that it will establish an unfunded, non-qualified deferred compensation plan that mirrors the terms of the DCP, except with respect to the Restoration Benefit and the deferral of shares issuable under equity compensation awards, and will assume the liabilities with respect to the DCP associated with Embecta employees, other than with respect to the Restoration Benefit.

Change in Control Agreement

BD entered into an agreement with Mr. Kurdikar relating to his employment following a change in control of BD. This agreement provides Mr. Kurdikar with continued employment for a period of two years following a change in control, and provides certain benefits in the event his employment is terminated without "cause" or he leaves his employment for "good reason" (also known as a constructive termination) during such period. Generally, these benefits include a severance payment equal to a multiple of salary and PIP award, and certain other benefits. A more complete description of the terms and potential payouts under this change in control agreement as discussed in the section entitled "Compensation of Named Executive Officers—Payments upon Termination of Employment or Change in Control" .

The change in control agreement contains a "double-trigger"—that is, there must be both a change in control of BD and a termination of the executive's employment (either without cause by BD or for good reason by the executive) in order for any payments to be made. The change in control agreement does not contain any tax reimbursement provisions with respect to any excise tax that may be payable to Mr. Kurdikar under the agreement.

Executive Severance and Change in Control Plan

Prior to the separation, Embecta expects to adopt an Executive Severance and Change in Control Plan. The Executive Severance Plan will provide severance benefits to eligible key employees of Embecta and certain subsidiaries of Embecta, including the NEOs, in connection with certain terminations of employment.

Under the terms of the Executive Severance Plan, in the event that an NEO is involuntarily terminated by Embecta without cause or resigns for good reason outside of a change in control coverage period (each as defined in the Executive Severance Plan), the NEO would be entitled to (i) a severance payment (paid over time) consisting of a multiple (two times for the CEO and one time for the other NEOs) of the NEO's base salary and target annual bonus, (ii) a lump sum payment equivalent to a pro-rata portion of the NEO's target annual cash bonus for the year in which the termination occurred, (iii) a lump sum payment approximating a certain period of COBRA premiums for continued coverage under Embecta's group health insurance plan (24 months for the CEO and 12 months for the other NEOs) and (iv) 12 months of outplacement services.

In the event that an NEO is involuntarily terminated by Embecta without cause or resigns for good reason during the 24 months following a change in control (or prior to the change in control, if the NEO reasonably demonstrates that the termination was in connection with the change in control), the NEO would be entitled to (i) a lump sum severance payment consisting of a multiple (three times for the CEO and two times for the other NEOs) of the sum of the NEO's base salary and the greater of (x) the NEO's target annual cash bonus for the year in which the termination occurred and (y) the NEO's average annual bonus for the two most recently completed fiscal years prior to the year in which the termination occurred, (ii) a lump sum payment equivalent to a pro-rata portion of the NEO's target annual cash bonus for the year in which the termination occurred, (iii) a lump sum payment approximating a certain period of COBRA premiums for continued coverage under Embecta's group health insurance plan (36 months for the CEO and 24 months for the other NEOs), (iv) 12 months of outplacement services and (v) accelerated vesting of all outstanding equity awards (with performance awards vesting at target unless a higher level would be deemed achieved under the terms of the applicable award agreement).

The Executive Severance Plan does not provide for a gross-up payment to any of the NEOs to offset taxes, including any excise taxes that may be imposed on excess parachute payments under Section 4999 of the Code. Instead, the Executive Severance Plan provides that in the event that the payments described above would, if paid, be subject to such excise taxes, then such NEO shall be entitled to receive either (A) the full amount of the payments and assume full responsibility for the tax impacts or (B) the maximum amount that may be provided to such NEO without resulting in any portion of the payments being subject to such excise taxes, based upon which alternative yields the higher after-tax amount.

The receipt of the foregoing benefits under the Executive Severance Plan is conditioned on the NEO signing, and not revoking, a separation and release agreement, which will include a general release of claims by the NEO against Embecta and which may include certain post-employment restrictive covenants.

It is anticipated that the Executive Severance Plan would supersede the severance provisions of the individual letter agreements and change in control agreements described above.

Other Change in Control Provisions

All unvested BD equity grants include a double-trigger vesting provision upon a change in control. Under this provision, the awards will not automatically vest upon a change in control if the awards are either continued

or replaced with similar awards. In those instances, the awards will automatically vest only if the executive is terminated without "cause" or terminates employment for "good reason" (as such terms are defined in the Becton, Dickinson and Company 2004 Employee and Director Equity-Based Compensation Plan (the "BD 2004 Plan")) within two years of the change in control.

New Plans and Policies Following Separation

In connection with the separation and distribution, it is expected that Embecta will adopt the Embecta 2022 Employee and Director Equity-Based Compensation Plan (which is described in this information statement under the heading "Embecta 2022 Employee and Director Equity-Based Compensation Plan"), which will be effective for Embecta upon the separation and distribution. Following the separation and distribution, the Embecta Compensation Committee will consider and develop Embecta's compensation programs, plans, philosophy and practices, consistent with Embecta's business needs and goals.

Embecta expects that the Embecta Compensation Committee will also adopt various policies relating to executive compensation similar to BD's policies, which help to mitigate risk in compensation programs and are best practices in the market, including the following:

Clawback Policy: Embecta's Compensation Committee has not adopted a clawback policy, but Embecta expects that it will adopt such a policy that is similar to BD's clawback policy. BD's clawback policy gives the BD Board of Directors the discretion to require senior leaders at BD to reimburse BD for any annual incentive award or performance-based long-term incentive payout that was based on financial results that were subsequently restated as a result of that person's misconduct. The BD Board of Directors also has the discretion to cancel any equity compensation awards (or recover payouts under such awards) that were granted to such person with respect to the restated period, and to require the person to reimburse BD for any profits realized on any sale of BD stock occurring after the public issuance of the financial statements that were subsequently restated. The policy also gives the BD Board of Directors the authority to require executive officers and other senior leaders who were not involved in the misconduct to reimburse BD for the amount by which their annual incentive award or performance-based long-term incentive payouts exceeded the amount they would have received based on the restated results. Under the policy, BD may also cancel outstanding equity awards and recover any shares received upon the exercise or vesting of such awards (or any gain realized on the sale of such shares) to the extent the individual breaches any restrictive covenants, such as non-compete and non-solicitation covenants, contained in the agreements for such awards.

Share Ownership Guidelines: Embecta's Compensation Committee has not yet adopted share ownership guidelines, but Embecta expects that it will adopt such guidelines in order to increase executive share ownership and promote a long-term perspective when managing the business. Such share ownership guidelines may be similar to the BD share ownership guidelines, which require BD's named executive officers and certain other senior executives to retain 50% of the net after-tax shares received from any equity compensation awards granted to them after they become subject to the guidelines, and require BD's CEO to hold shares with a value equal to five times his salary.

Pledging and Hedging Policy: Embecta expects that the Embecta Compensation Committee will adopt a policy that prohibits all Embecta employees (including the named executive officers) and members of the Embecta Board of Directors from pledging any Embecta shares or other Embecta securities, or from engaging in options (including exchange-traded options), puts, calls, forward contracts or any other transactions that are intended to hedge against any decrease in the market value of Embecta shares or other Embecta securities granted to them as part of their compensation from Embecta or that are held directly or indirectly by them.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following summary compensation table sets forth the total compensation paid or accrued for the fiscal year ended September 30, 2021, for Embecta's NEOs.

Fiscal Year 2021 Summary Compensation Table

Name and Principal Position(1)	Year	Salary ($)	Bonus ($)	Stock Awards ($)(2)	SAR Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Devdatt (Dev) Kurdikar Chief Executive Officer	2021	446,849	200,000(6)	1,185,240	790,062	536,366	0	9,587	3,168,100
Jacob (Jake) Elguicze SVP and Chief Financial Officer	2021	182,466	150,000(7)	197,296	0	180,368	0	6,309	716,439
Ajay Kumar SVP and Chief Human Resources Officer	2021	331,835	83,468(8)	169,016	147,659	192,557	32,110	9,007	965,652
Shaun Curtis SVP, Global Manufacturing and Supply Chain	2021	276,503	0	118,769	92,119	135,891	0	89,596	708,874
Jeff Mann SVP, General Counsel, Head of Corporate Development and Corporate Secretary	2021	75,000	50,000(9)	0	0	0	0	169,036	294,036

(1) Mr. Kurdikar was hired in February 2021. Mr. Elguicze was hired in May 2021. Mr. Mann was hired in August 2021.

(2) *Stock Awards and SAR Awards.* The amounts shown in the "Stock Awards" column and "SAR Awards" column reflect the grant date fair value of the awards under FASB ASC Topic 718 (disregarding estimated forfeitures). For a description of the methodology and assumptions used to determine the amounts reflected in these columns, see Note 8 to the consolidated financial statements contained in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2021.

The amounts shown in the "Stock Awards" column for fiscal year 2021 include Performance Units and reflect the grant date fair values of these awards at target payout of the Performance Units. Below are the grant date fair values of the Performance Unit awards, assuming a maximum payout of 200% of target:

Name	Fair Value at Target Payout ($)	Fair Value at Maximum Payout ($)
Devdatt (Dev) Kurdikar	790,097	1,580,195
Jacob (Jake) Elguicze	0	0
Ajay Kumar	112,468	224,937
Shaun Curtis	79,008	158,017
Jeff Mann	0	0

(3) *Non-Equity Incentive Plan Compensation.* Includes amounts earned under BD's PIP. These amounts are paid in January following the fiscal year in which they are earned, unless deferred at the election of the NEO. Mr. Mann was not eligible for a FY21 PIP award as he was hired after the July cut-off date for the plan year.

(4) *Change in Pension Value and Nonqualified Deferred Compensation Earnings.*

Pension—Amounts shown are the aggregate changes in the actuarial present value of accumulated benefits under defined benefit pension plans (including BD's nonqualified DCP). These amounts represent the difference between the present value of accumulated pension benefits (determined as of the first date on which the executive is eligible to retire and commence unreduced benefit payments) at the beginning and end of the fiscal years shown. Only Mr. Kumar participates in BD's defined benefit pension plans, which were closed to new participants effective January 1, 2018. Additional information regarding the pension benefits of Embecta's NEOs is discussed in the section entitled "Compensation of Named Executive Officers—Pension Benefits at 2021 Fiscal Year-End" .

Deferred Compensation—Earnings on nonqualified deferred compensation are not included in this column, because no NEO earned above-market or preferential earnings (as defined in the rules of the SEC) on nonqualified deferred compensation during the fiscal years shown. Information on the NEOs' nonqualified deferred compensation accounts is as discussed in the section entitled "Compensation of Named Executive Officers—Deferred Compensation" .

(5) *All Other Compensation.* Amounts shown for fiscal year 2021 include the following:

	Devdatt (Dev) Kurdikar	Jacob (Jake) Elguicze	Ajay Kumar	Shaun Curtis	Jeff Mann
Matching contributions under plans	$ 9,087	$ 6,309	$ 8,807	$10,983	$ 0
Matching charitable gifts	500	—	200	—	—
Relocation assistance	—	—	—	$78,613	$169,036
Total	$ 9,587	$ 6,309	$ 9,007	$89,596	$169,036

The following is a description of these benefits:

- *Matching Contributions under Plans*—The amounts shown reflect BD matching contributions credited pursuant to defined contribution plans.
- *Matching Charitable Gifts*—The amounts shown are matching contributions made (or committed to be made) through matching gift programs, under which BD matches charitable contributions made to qualifying non-profit organizations, subject to a $5,000 per calendar year limit.
- *Relocation Assistance*—BD provided Messrs. Curtis and Mann with relocation assistance in connection with their hire, including moving expenses, housing allowance, and home purchase and sale assistance.

(6) Represents amounts paid to Mr. Kurdikar pursuant to his sign-on arrangements.
(7) Represents amounts paid to Mr. Elguicze pursuant to his sign-on arrangements.
(8) Represents amounts paid to Mr. Kumar pursuant to his sign-on arrangements.
(9) Represents amounts paid to Mr. Mann pursuant to his sign-on arrangements.

Information Regarding Plan Awards in Fiscal Year 2021

Set forth below is information regarding awards granted to the NEOs in fiscal year 2021. The non-equity incentive plan awards were made under the BD PIP. The equity compensation awards were made under the BD 2004 Plan.

Grants of Plan-Based Awards in Fiscal Year 2021

Name	Award Type(1)	Grant Date	Estimated Possible Payouts under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts under Equity Incentive Plan Awards(3)			All Other Stock Awards: Number of Shares of Stock or Units(#)	All Other SAR Awards: Number of Securities Underlying SARs (#)	Exercise or Base Price of SAR Awards ($/Sh)(4)	Grant Date Fair Value of Stock and SAR ($)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Devdatt (Dev) Kurdikar	PIP	N/A	189,911	379,822	759,644							
	PU					1,388	3,265	6,530				790,097
	TVU								1,601			395,143
	SAR									15,341	253.39	790,062
Jacob (Jake) Elguicze	PIP	N/A	63,863	127,726	255.452							
	TVU								822			197,296
Ajay Kumar	PIP	N/A	66,774	133,548	267,097							
	PU					222	521	1,042				112,468
	TVU								256			56,548
	SAR									3,341	227.47	147,659
Shaun Curtis	PIP	N/A	48,115	96,230	192,460							
	PU					156	366	732				79,008
	TVU								180			39,760
	SAR									2,081	227.47	92,119
Jeff Mann	PIP	N/A	N/A	N/A	N/A							
	PU					N/A						
	TVU					N/A						
	SAR					N/A						

(1) Award Type:

PIP = BD Performance Incentive Plan

PU = Performance Unit

TVU = Time-Vested Unit

SAR = Stock Appreciation Right

(2) The amounts shown represent the range of possible payouts that the NEO could have earned under the BD PIP for fiscal year 2021, based on certain assumptions. Actual payments to the NEOs under the PIP are reflected in the "Non-Equity Incentive Plan Compensation" column of the Fiscal Year 2021 Summary Compensation Table. The amount in the "Threshold" column assumes BD achieved the minimum threshold performance levels for each performance measure, resulting in available funding for awards at 50% of target, and that the NEO received a payment equal to 50% of his award target.

(3) The amounts shown represent the range of potential share payouts under Performance Unit awards. The amount in the "Threshold" column shows the number of shares that will be paid out assuming BD achieves the minimum performance level for each performance measure under the awards.

(4) The exercise price is the closing price of BD common stock on the date of grant, as reported on the NYSE.

(5) The amounts shown reflect the grant date fair value of the awards under FASB ASC Topic 718 used by BD for financial statement reporting purposes (disregarding estimated forfeitures). For a discussion of the assumptions made to determine the grant date fair value of these awards, see Note 8 to the consolidated financial statements contained in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2021.

Description of Awards

BD PIP

The BD PIP provides an opportunity for eligible associates to receive annual cash incentive payments based on BD and individual performance.

Equity Compensation Awards

Performance Units. Performance Units are performance-based restricted stock units that vest three years after grant. The potential payouts under these awards range from zero to 200% of target. The actual payout will be based on BD's performance against the performance targets set for these awards over the three-year performance period covering fiscal years 2021-2023. Performance Units are not transferable, and holders may not vote any shares underlying the award until the shares have been distributed. Dividends do not accrue on these awards.

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

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

Change in Control. The Performance Units, TVUs and SARs listed in the above table fully vest, under certain circumstances, following a change in control or in the event of a termination of employment following a change in control. See "Accelerated Vesting of Equity Compensation Awards upon a Change in Control" as discussed in the section entitled "Compensation of Named Executive Officers—Payments upon Termination of Employment or Change in Control".

Outstanding Equity Awards

The following table sets forth the outstanding equity awards held by the NEOs at the end of fiscal year 2021.

Outstanding Equity Awards at 2021 Fiscal Year-End

Name	Grant Date	Number of Securities Underlying Unexercised SARs (#) Exercisable(1)	Number of Securities Underlying Unexercised SARs (#) Unexercisable(1)	SAR Exercise Price ($)	SAR Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)(2)	Market Value of Shares or Units of Stock that Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ($)(3)
Devdatt (Dev) Kurdikar	2/11/2021	0	15,341	253.39	2/11/2031				
	2/11/2021					1,601	393,558	3,265	802,602
Jacob (Jake) Elguicze	5/10/2021					822	202,064		
Ajay Kumar	11/26/2017	0	631	226.28	11/26/2027				
	11/26/2018	934	936	242.10	11/26/2028				
	11/26/2019	578	1,737	255.22	11/26/2029				
	11/26/2020	0	3,341	227.47	11/26/2030				
	Various					651	160,029	985	242,133
Shaun Curtis	11/26/2018	748	748	242.10	11/26/2028				
	11/26/2019	440	1,320	255.22	11/26/2019				
	11/26/2020	0	2,081	227.47	11/26/2030				
	Various					958	235,496	719	176,745
Jeff Mann	N/A								

(1) SARs become exercisable in four equal annual installments, beginning one year following the date of grant.
(2) The amounts shown include grants of restricted stock unit awards that are not performance-based. These include TVUs granted on November 26, 2018, November 26, 2019, and November 26, 2029, which vest in three annual installments beginning one year after grant. Also included in this column are shares payable under Performance Units granted on November 26, 2018, which cover the fiscal year 2019-2021 performance period and vested on November 26, 2021.
(3) Market value has been calculated by multiplying the number of unvested units by $245.82, the closing price of BD common stock on September 30, 2021.
(4) The amounts shown include Performance Unit awards at target payout granted on November 26, 2019 and November 26, 2020 that vest three years from grant.

SAR Exercises and Vesting of Stock Units

The following table contains information relating to the exercise of SARs, and the vesting of TVUs and Performance Units during fiscal year 2021.

SAR Exercises and Stock Vested in Fiscal Year 2021

	SAR Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)(2)	Value Realized on Vesting ($)(3)
Devdatt (Dev) Kurdikar	0	0	0	0
Jacob (Jake) Elguicze	0	0	0	0
Ajay Kumar	458	118,199	442	100,542
Shaun Curtis	0	0	669	163,138
Jeff Mann	0	0	0	0

(1) Represents the difference between the exercise price and the BD common stock price at the time of exercise.
(2) Shows the shares acquired under TVUs, and under Performance Units covering the fiscal year 2018-2020 performance period, that vested in fiscal year 2021.
(3) Based on the closing price of BD stock on the vesting date.

Other Compensation

Retirement Benefits

General

BD's U.S. Retirement Plan is a non-contributory defined benefit plan. The Code limits the maximum annual benefit that may be paid to an individual under the Retirement Plan and the amount of compensation that may be recognized in calculating these benefits. BD makes supplemental payments to its nonqualified DCP to offset any reductions in benefits that result from these limitations.

The Retirement Plan and the DCP generally provide retirement benefits on a "cash balance" basis. Under the cash balance provisions, an associate has an account that is increased by pay credits based on compensation, age and service, and by interest credits based on a prescribed rate.

Prior to January 1, 2013, benefits were based on a "final average pay" formula for associates who were hired before April 1, 2007 and who did not elect to be covered under the cash balance formula. Effective January 1, 2013, all final average pay participants were converted to the cash balance formula, with an opening cash balance equal to the actuarial present value of the accrued final average pay benefit, based on service and pay through December 31, 2012. Upon retirement, the value of this opening cash balance (with interest credits) is

compared to the value of the December 31, 2012 benefit accrued under the final average pay formula and the greater of the two is payable to the participant. Benefits accrued after December 31, 2012 are determined under the cash balance formula only.

Prior to January 1, 2018, the Retirement Plan was generally available to all active full-time and part-time U.S. BD associates. Effective January 1, 2018, the Retirement Plan was frozen, and persons hired or rehired by BD on or after that date do not accrue pension benefits under the Retirement Plan. Messrs. Kurdikar, Elguicze, Curtis and Mann do not participate in the Retirement Plan.

Estimated Benefits

The following table shows for Mr. Kumar the actuarial present value on September 30, 2021 (assuming payment as a lump sum) of accumulated retirement benefits payable under the listed plans as of the first date on which he is eligible to retire and commence unreduced benefit payments. For a description of the other assumptions used in calculating the present value of the benefits under the Retirement Plan and DCP, see Note 9 to the consolidated financial statements contained in BD's Annual Report on Form 10-K for the year ended September 30, 2021. Amounts shown are not subject to any further deduction for Social Security benefits or other offsets.

Pension Benefits at 2021 Fiscal Year-End

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)
Devdatt (Dev) Kurdikar	Retirement Plan	N/A	N/A
	DCP	N/A	N/A
Jacob (Jake) Elguicze	Retirement Plan	N/A	N/A
	DCP	N/A	N/A
Ajay Kumar	Retirement Plan	15	$ 145,147
	DCP	15	$ 51,306
Shaun Curtis	Retirement Plan	N/A	N/A
	DCP	N/A	N/A
Jeff Mann	Retirement Plan	N/A	N/A
	DCP	N/A	N/A

Calculation of Benefits

Final Average Pay Provisions. The monthly pension benefit payable in cases of retirement at normal retirement age under the final average pay provisions is calculated using the following formula: (1% of average final covered compensation, plus 1.5% of average final excess compensation) *multiplied by* years and months of credited service.

For purposes of the formula, "average final covered compensation" is generally the portion of an associate's covered compensation subject to Social Security tax, and "average final excess compensation" is the portion that is not subject to such tax. "Covered compensation" included salary and other forms of regular compensation, including commissions and PIP awards. As noted above, effective January 1, 2013, all final average pay participants were converted to the cash balance formula, with an opening cash balance equal to the actuarial present value of the final average pay benefit accrued based on service and pay through December 31, 2012.

Cash Balance Provisions. Each month, an associate's cash balance account is credited with an amount equal to a percentage of the associate's total compensation for the month (generally, salary and other forms of regular compensation, including commissions and PIP awards). Such percentage is calculated as follows:

Age Plus Years of Credited Service as of the Upcoming December 31	Credit Percentage
Less than 40	3%
40-49	4%
50-59	5%
60-69	6%
70 or more	7%

In addition, each month the associate's account is credited with interest. The rate used during the calendar year is determined based on the 30-year U.S. Treasury rates in effect during the prior September, subject to a minimum rate.

Early Retirement. An associate is eligible to retire early and commence benefit payments if the associate is at least age 55 and has at least ten years of credited service. Participants may commence payment of benefits under the cash balance formula prior to early retirement eligibility at any age if the participant terminates with at least three years of service.

Under the cash balance provisions, the amount of the associate's benefit will be the associate's vested account balance on the early retirement date. The associate may elect to begin payment of the account balance on the early retirement date or delay payment until the normal retirement date (age 65).

For participants who formerly participated in the final average pay formula and were converted to cash balance, the portion of the cash balance account attributable to the converted final average pay benefit is compared to the final average pay benefit accrued through the date of conversion under the final average formula. The result that produces the higher benefit is payable.

Form of Benefit. Participants may elect to receive their benefits in various forms. Participants may select a single life annuity, in which pension payments will be payable only during the associate's lifetime, or, if married, a joint and survivor annuity. Associates may also elect to receive their benefits in a single lump sum payment. Under the final average pay provisions, this lump sum is actuarially equivalent to the benefit payable under the single life annuity option. Under the cash balance provisions, the lump sum is equal to the associate's account balance.

Deferred Compensation

Cash Deferrals. The DCP also allows an eligible BD associate to defer receipt of up to 75% of salary and/or up to 100% of a PIP award until the date or dates elected by the associate. The amounts deferred are invested in a BD common stock account or in cash accounts that mirror the gains and/or losses of several different publicly available investment funds, based on the investment selections of the participants. The investment risk is borne solely by the participant. Participants are entitled to change their investment elections at any time with respect to prior deferrals, future deferrals or both. The investment options available to participants may be changed by BD at any time.

Deferral of Equity Awards. The DCP also allows eligible associates to defer receipt of up to 100% of the shares issuable under their Performance Units and TVUs. These deferred shares are allocated to the participant's BD stock account and must stay in such account until they are distributed.

Withdrawals and Distributions. Participants may elect to receive deferred amounts either during their employment or following termination of employment, and to receive distributions in installments or in a lump

sum. Except in an unforeseen financial emergency, participants may not withdraw deferred amounts prior to their scheduled distribution date.

Matching Contributions. BD provides matching contributions on cash amounts deferred under the DCP. These contributions are made in the first calendar quarter following the calendar year in which the compensation was deferred. BD matches 75% of the first 6% of salary and PIP award deferred by a participant under the DCP, subject to certain limits.

Unfunded Liability. BD is not required to make any contributions to the DCP with respect to its obligations to pay deferred compensation. BD has unrestricted use of any cash amounts deferred by participants. Participants have an unsecured contractual commitment from BD to pay deferred amounts due under the DCP. When such payments are due, cash and/or stock will be distributed from BD's general assets.

The following table sets forth information regarding activity during fiscal year 2021 in the deferred compensation accounts of the NEOs.

Nonqualified Deferred Compensation in Fiscal Year 2021

Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Balance at Last Fiscal Year-End ($)(3)
Devdatt (Dev) Kurdikar	$ 100,962	0	(88)	100,873
Jacob (Jake) Elguicze	$ 15,577	0	(135)	$ 15,442
Ajay Kumar	0	0	$ 11,491	$ 49,874
Shaun Curtis	0	0	0	0
Jeff Mann	0	0	0	0

(1) The following amounts are reported as compensation in the fiscal year 2021 "Salary" column of the Summary Compensation Table. The remaining executive contributions relate to the deferral of fiscal year 2020 PIP awards that were payable in fiscal year 2021.

(2) Amounts in this column are included in the "All Other Compensation" column of the Summary Compensation Table and reflect matching credits relating to participant deferrals in fiscal year 2021. These amounts are not credited to participant accounts until fiscal year 2022.

(3) Reflects amounts in which the NEO is vested. BD matching contributions fully vest after a participant has been at BD for four years.

Payments upon Termination of Employment or Change in Control

The following table shows the estimated payments and benefits that would be paid by BD to each of the NEOs as a result of a termination of employment under various scenarios. The amounts shown assume termination of employment on September 30, 2021. However, the actual amounts that would be paid to these NEOs under each scenario can only be determined at the time of actual termination.

Name	Termination without "Cause" or for "Good Reason" Following a Change in Control ($)(1)	Termination Due to Retirement ($)(2)	Termination without Cause ($)(3)	Termination Due to Disability ($)(4)	Termination Due to Death ($)(5)
Devdatt (Dev) Kurdikar	3,867,626	0	2,851,019	549,654	1,249,654
Jacob (Jake) Elguicze	1,071,987	0	1,060,761	202,064	652,064
Ajay Kumar	1,036,579	0	504,049	395,948	729,819
Shaun Curtis	789,061	0	505,522	397,408	669,938
Jeff Mann	550,000	0	550,000	0	450,000

(1) Includes amounts payable under the letter agreement with Mr. Kurdikar (three times base salary plus target bonus, prorated bonus, welfare benefit continuation, and outplacement services), letter agreements for Messrs. Elguicze and Mann (one times base salary plus target bonus, prorated bonus, welfare benefit continuation, and outplacement services), or the BD severance plan for Messrs. Kumar and Curtis (one times base salary, welfare benefit continuation, and outplacement services), and the accelerated vesting of equity compensation awards, which is discussed below. Also includes for Mr. Kumar, amounts distributable under BD's pension plans, assuming payout as a lump sum.
(2) None of the NEOs was eligible for retirement as of September 30, 2021.
(3) Includes amounts payable under letter agreements (for Mr. Kurdikar, two times base salary plus target bonus, prorated bonus, welfare benefit continuation, and outplacement services; for Mr. Elguicze and Mr. Mann, one times base salary plus target bonus, prorated bonus, welfare benefit continuation, and outplacement services) or the BD severance plan (for Mr. Kumar and Mr. Curtis, one times base salary, welfare benefit continuation, and outplacement services), and the accelerated vesting of equity compensation awards.
(4) Includes the accelerated vesting of equity compensation awards.
(5) Includes the accelerated vesting of equity compensation awards and life insurance benefits.

The amounts shown in the above table do not include vested deferred compensation distributable upon termination, which is as discussed in the section entitled "Compensation of Named Executive Officers—Payments upon Termination of Employment or Change in Control".

Change in Control Agreement with Mr. Kurdikar

BD has entered into an agreement with Mr. Kurdikar that provides for his continued employment for a period of two years following a change in control of BD. The agreement is designed to retain Mr. Kurdikar and provide continuity of management in the event of an actual or potential change in control of BD. The following is a summary of the key terms of the agreement.

The agreement provides that BD will continue to employ Mr. Kurdikar for two years following a change in control, and that, during this period, his position and responsibilities at BD will be materially the same as those prior to the change in control. The agreement also provides for minimum salary, PIP award and other benefits during this two-year period. "Change in control" is defined under the agreement generally as:

- the acquisition by any person or group of 25% or more of the outstanding BD common stock;
- the incumbent members of the BD Board of Directors ceasing to constitute at least a majority of the BD Board of Directors;
- certain business combinations; or
- shareholder approval of the liquidation or dissolution of BD.

The agreement also provides that, in the event Mr. Kurdikar is terminated without "cause" or terminates his employment for "good reason" during the two years following a change in control, he would receive:

- a pro rata PIP award for the year of termination based on the greater of (i) the executive's average PIP award for the last three fiscal years prior to termination, and (ii) the executive's target PIP award for the year of termination (the greater of the two being referred to herein as the "Incentive Payment");
- a lump sum severance payment equal to two times the sum of his annual salary and his Incentive Payment;
- continuation of his health and welfare benefits (reduced to the extent provided by any subsequent employer) for a period of three years; and
- outplacement services, subject to a limit on the cost to BD of $100,000.

"Cause" is generally defined as the willful and continued failure of the executive to substantially perform his duties, or illegal conduct or gross misconduct that is materially injurious to BD. "Good reason" is generally defined to include (i) any significant change in the executive's position or responsibilities, (ii) the failure of BD to pay any compensation called for by the agreement, or (iii) certain relocations of the executive.

Accelerated Vesting of Equity Compensation Awards upon a Change in Control

Awards will not automatically vest upon a change in control if the awards are either continued or replaced with similar awards. In those instances, the awards will automatically vest only if the associate is terminated without "cause" or the associate terminates employment for "good reason" (as such terms are defined in the 2004 Plan) within two years of the change in control. Awards will vest upon a change in control if the awards are neither continued nor replaced with similar awards.

Equity Compensation upon Termination of Employment

Mr. Kurdikar's letter agreement, entered into on his commencement of employment, provides that his sign-on long-term incentive awards will vest in full and any other BD equity awards will vest on a pro-rata basis on his termination without cause or termination with good reason. With respect to the other NEOs, upon an NEO's termination due to involuntary termination without cause, the NEO's:

- unvested SARs are forfeited and the NEO is entitled to exercise any then-vested SARs for three months following termination;
- unvested TVUs vest pro rata based on the amount of the vesting period that had elapsed; and
- unvested Performance Units vest pro rata based on the amount of the vesting period that had elapsed. The payments would be made after the end of the applicable vesting periods and would be based on BD's actual performance for the applicable performance periods, rather than award targets.

Upon an NEO's termination due to death or disability, the NEO's:

- unvested SARs become fully exercisable for their remaining term;
- unvested TVUs fully vest; and
- unvested Performance Units vest pro rata based on the amount of the vesting period that had elapsed. The payments would be based on award targets.

DIRECTOR COMPENSATION

The initial Embecta non-employee director compensation program will be patterned in structure on the existing BD director compensation program, and will be designed to provide competitive compensation that is necessary to attract and retain qualified non-management directors. It is anticipated that the Embecta annual non-employee director compensation program will initially consist of the following key elements: a cash retainer, equity compensation, Committee chair fees and Lead Director fees. Management directors will not receive compensation for their service as director. The anticipated program design is described in further detail below. Following the separation and distribution, the director compensation program will be subject to the review and approval of the Embecta Board of Directors or a committee thereof.

Treatment of outstanding BD equity-based compensation awards held by Embecta non-employee directors in connection with the distribution is described under “The Separation and Distribution—Treatment of Equity-Based Compensation.”

Cash Retainer

Each Embecta non-management director is expected to receive an annual cash retainer of $70,000 for services as a director, which is paid in equal installments quarterly. Directors are not expected to receive meeting attendance fees.

Annual Equity Award

Embecta expects that each non-management director will be granted restricted stock units valued at $185,000 at the closing of the separation and at each annual shareholders meeting (using the same methodology used to value awards made to Embecta’s executive officers). Embecta expects that the restricted stock units will vest and be distributable at the following annual shareholders meeting.

Committee Chair/Lead Director Fees

Embecta expects that the chair of each Committee will receive an annual fee of $16,000, paid in cash, and that Embecta’s Non-Executive Chair will receive an annual fee of $60,000, paid in cash, and will receive an additional annual restricted stock unit grant then valued at $60,000.

Other Arrangements

Embecta intends to reimburse non-management directors for travel and other business expenses incurred in the performance of their services for Embecta. Directors are eligible to participate in Embecta’s Matching Gift Program, pursuant to which Embecta will match charitable contributions made to qualifying nonprofit organizations, subject to an aggregate limit per participant of $5,000 per calendar year. Directors are also reimbursed for attending director education courses.

Directors’ Deferral Plan

Directors may defer receipt of all or part of their annual cash retainer and other cash fees under the Directors’ Deferral Plan.

EMBECTA 2022 EMPLOYEE AND DIRECTOR EQUITY-BASED COMPENSATION PLAN

Prior to the separation, Embecta will adopt the Embecta 2022 Employee and Director Equity Based Compensation Plan (the "2022 Plan"). BD, as Embecta's sole stockholder, will approve the 2022 Plan prior to the separation, and the 2022 Plan will become effective as of the date of the separation. Embecta expects the 2022 Plan to be its primary vehicle for equity-based compensation awards following the separation, and the Embecta equity-based compensation awards into which certain outstanding BD equity-based compensation awards are converted upon the separation (see "Separation and Distribution Agreement—Treatment of Equity Awards") will be issued pursuant to the 2022 Plan (such awards, the "Converted Awards"). The following description is a summary of the material terms of the 2022 Plan, filed as Exhibit 10.4 to the registration statement on Form 10 of which this information statement is a part. This summary is qualified in its entirety by reference to the full text of the 2022 Plan.

Purpose

Embecta expects to use awards under the 2022 Plan to attract, retain and motivate non-employee directors and associates throughout the Embecta organization who are important to Embecta's future, and to align the interests of its associates with those of its shareholders.

Authorized Shares

A maximum of 7,000,000 Embecta shares will be available for issuance under the 2022 Plan, which includes shares subject to all Converted Awards. A maximum of 7,000,000 Embecta shares may be granted pursuant to "incentive stock options" ("ISOs"). All shares available for issuance under the 2022 Plan are subject to adjustment as described below. Shares underlying awards issued in assumption of, or substitution for, awards issued by a company acquired by Embecta (referred to as "Substitute Awards") will not reduce the number of shares remaining available for issuance under the 2022 Plan. To the extent any outstanding award granted under the 2022 Plan (other than a Substitute Award) is forfeited, settled for cash, or otherwise terminates without the delivery of shares, the shares subject to the award will become available again for issuance. In the event an award is exercised through the delivery of Embecta shares, or withholding tax liabilities arising from an award are satisfied by the withholding of shares, the shares so delivered or withheld will not be available for issuance under the 2022 Plan. The maximum number of Embecta shares available to be granted pursuant to awards to any non-employee director under the 2022 Plan in any fiscal year of the Company shall be equal to $500,000 as of the applicable date of grant.

Eligibility

Any employee or director of Embecta or any of its affiliates will be eligible to receive awards under the 2022 Plan. Additionally, any holder of an outstanding equity-based award issued by a company acquired by Embecta may be granted a Substitute Award under the 2022 Plan.

Administration

The 2022 Plan will be administered by the Embecta Compensation Committee. The Compensation Committee will have the sole discretion to grant to eligible participants one or more equity awards and to determine the type, number or amount of any award to be granted. The Compensation Committee will have the authority to, among other things, interpret any provision of the 2022 Plan, adopt rules and regulations for administering the 2022 Plan, and delegate any administrative responsibilities under the 2022 Plan. Decisions of the Compensation Committee will be final and binding on all parties.

Awards

General**.** Awards shall be granted for no cash consideration, or for minimal cash consideration if required by applicable law. Awards may provide that upon their exercise, the holder will receive cash, Embecta stock, other securities, other awards, other property or any combination thereof. Shares of stock deliverable under the 2022 Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

Exercise price. Except in the case of Converted Awards or Substitute Awards, the exercise price of any stock option or SAR will not be less than 100% of the fair market value of the Embecta stock or other security on the date of grant. The Compensation Committee may not, without approval of Embecta's shareholders or in connection with an adjustment event described below, amend an award to reduce its exercise, grant or purchase price (a "repricing"), cancel an outstanding stock option or SAR and replace it with a new award with a lower exercise price (except for adjustments in connection with stock splits and other events, as described below), or exchange for cash any option or SAR whose exercise price is less than the then-current Embecta stock price.

Exercise of award; Form of consideration. The Compensation Committee will determine the times at which options and other purchase rights may be exercised, and the methods by which payment of the purchase price may be made. No loans may be extended by Embecta to any participant in connection with the exercise of an award (although Embecta is permitted to maintain a broker-assisted "cashless exercise" program for stock options).

Stock options and stock appreciation rights. The term of any stock options and SARs granted under the 2022 Plan will be established by the Compensation Committee, but may not exceed 10 years. The Compensation Committee may impose a vesting schedule on stock options and SARs. Unless otherwise provided by the Compensation Committee, employee stock options and SARs:

- are exercisable following voluntary termination of employment or involuntary termination of employment without cause for three months, to the extent such awards were exercisable at the time of termination;
- become fully vested upon retirement, death and disability, and otherwise remain in effect in accordance with their terms; and
- otherwise lapse upon termination of employment.

Stock options granted under the 2022 Plan may be ISOs, which afford certain favorable tax treatment for the holder, or "nonqualified stock options" ("NQSOs").

Restricted stock and restricted stock units. The Compensation Committee may impose restrictions on restricted stock and restricted stock units, in its discretion. Unless otherwise provided by the Compensation Committee, upon death, disability or retirement, all restrictions on restricted stock and restricted stock units will no longer apply. In all other cases of termination of employment during the restriction period, restricted stock and restricted stock units will be forfeited.

Performance units. Performance unit payments are tied to the attainment of performance goals established by the Compensation Committee. The Compensation Committee will establish the performance criteria, the length of the performance period and the form and time of payment of the award. Unless otherwise provided by the Compensation Committee, upon retirement or involuntary termination without cause during the performance period, a holder of performance units will receive a pro rata portion of the amount otherwise payable under the award. In the event of voluntary termination or termination for cause, performance units will be forfeited. In other cases of termination of employment during the performance period, the rights of the holder will be as determined by the Compensation Committee.

Other stock-based awards. The Compensation Committee may grant and establish the terms and conditions of other stock-based awards, such as dividend equivalent rights.

Adjustments

In the event of a corporate transaction, the Compensation Committee may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (i) the limits set forth in the 2022 Plan;

(ii) the number and kind of shares or other securities subject to outstanding awards; (iii) the performance goals applicable to outstanding awards; and (iv) the exercise price of outstanding awards (clauses (i) – (iv) together, the "award terms"). In the event of a stock dividend, stock split, reverse stock split, reorganization, share combination, or recapitalization or similar event affecting the capital structure of Embecta, in each case without consideration, or other extraordinary dividend of cash or other property to Embecta's shareholders, the Compensation Committee or the Embecta Board shall make such substitutions or adjustments as it deems appropriate and equitable to the award terms.

Transferability

Awards granted under the 2022 Plan are not transferable other than by will or the laws of descent and distribution, except as otherwise provided by the Compensation Committee. However, in no event may an award be transferred by a participant for value. Except to the extent a transfer is permitted, an award may be exercisable during a participant's lifetime only by the participant or by the participant's guardian or legal representative.

Minimum Vesting Period

Awards under the 2022 Plan shall be subject to a regular vesting period of at least one year following the date of grant, except that this requirement will not apply to up to five percent of shares available for grant under the 2022 Plan or to Substitute Awards or Converted Awards.

Change in Control

Awards under the 2022 Plan will not automatically vest upon a change in control if the awards are either continued or replaced with similar awards. In those instances, the awards will automatically vest only if the associate is terminated without "cause" or the associate terminates employment for "good reason" (as such terms are defined in the 2022 Plan) within two years of the change in control. Awards under the 2022 Plan will vest upon a change in control if the awards are neither continued nor replaced with similar awards.

Amendment and Termination

The Board may amend, discontinue or terminate the 2022 Plan or any portion of the 2022 Plan at any time. Shareholder approval may be required by the Nasdaq listing rules, tax or regulatory requirements for certain amendments. Participant approval must also be obtained for any amendment that would adversely affect the rights of such participant under any award granted under the 2022 Plan prior to the amendment. No awards may be granted after the tenth anniversary of the effectiveness of the 2022 Plan.

Future awards

The issuance of any awards under the 2022 Plan will be at the discretion of the Compensation Committee. Therefore, it is not possible to determine the amount or form of any award that will be granted to any individual in the future.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with BD

Prior to the separation and distribution, Embecta and BD will enter into a separation and distribution agreement and other agreements that will outline the terms and conditions of the separation and distribution and provide a framework for Embecta's relationship with BD after the separation and distribution.

The material agreements described below will be filed as exhibits to the registration statement on Form 10 of which this information statement is a part. The summaries of each of these agreements set forth below are qualified in their entireties by reference to the full text of the applicable agreements, forms of which are filed as exhibits to the registration statement of which this information statement is a part and which are incorporated by reference into this information statement.

Separation and Distribution Agreement

Transfer of Assets and Assumption of Liabilities

The separation and distribution agreement will identify the assets to be transferred, the liabilities to be assumed and the contracts to be transferred to each of Embecta and BD as part of the separation of the diabetes care business from BD into an independent, publicly traded company, and will provide for when and how these transfers and assumptions will occur. In particular, the separation and distribution agreement will provide that, among other things, subject to the terms and conditions contained therein:

- certain assets related to the diabetes care business, which this information statement refers to as the "SpinCo Assets," will be retained by or transferred to Embecta or one of its subsidiaries. Subject to certain exceptions, assets that are exclusively related to the diabetes care business will be SpinCo Assets;
- certain liabilities related to the diabetes care business or the SpinCo Assets, which this information statement refers to as the "SpinCo Liabilities," will be retained by or transferred to Embecta. Subject to certain exceptions, liabilities that arise out of or are resulting from the diabetes care business, including liabilities of various legal entities that will be subsidiaries of Embecta following the separation, will be SpinCo Liabilities; and
- all of the assets and liabilities (including whether accrued, contingent or otherwise) other than the SpinCo Assets and the SpinCo Liabilities (such assets and liabilities, other than the SpinCo Assets and the SpinCo Liabilities, being referred to in this information statement as the "Parent Assets" and "Parent Liabilities," respectively) will be retained by or transferred to BD.

Except as expressly set forth in the separation and distribution agreement or any ancillary agreement, neither BD nor Embecta will make any representation or warranty as to the assets, business or liabilities transferred or assumed as part of the separation, as to any approvals or notifications required in connection with the transfers, as to the value of or the freedom from any security interests of any of the assets transferred, as to the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either of Embecta or BD, or as to the legal sufficiency of any document or instrument delivered to convey title to any asset or thing of value to be transferred in connection with the separation. All assets will be transferred on an "as is," "where is" basis, and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, that any necessary consents or governmental approvals are not obtained, or that any requirements of law, agreements, security interests or judgments are not complied with.

Information in this information statement with respect to the assets and liabilities of the parties following the distribution is presented based on the allocation of such assets and liabilities pursuant to the separation and distribution agreement, unless the context otherwise requires. The separation and distribution agreement will

provide that in the event that the transfer of certain assets and liabilities (or a portion thereof) to Embecta or BD, as applicable, does not occur prior to the separation, then until such assets or liabilities (or a portion thereof) are able to be transferred, Embecta or BD, as applicable, will hold such assets on behalf and for the benefit of the transferee, and will pay, perform and discharge such liabilities, for which the transferee will reimburse Embecta or BD, as applicable, for all reasonable payments made in connection with the performance and discharge of such liabilities.

The Distribution

The separation and distribution agreement will also govern the rights and obligations of the parties regarding the distribution following the completion of the separation. On the distribution date, BD will distribute to its shareholders that hold BD common stock as of the record date for the distribution all of the issued and outstanding shares of Embecta common stock on a pro rata basis. Shareholders will receive cash in lieu of any fractional shares.

Conditions to the Distribution

The separation and distribution agreement will provide that the distribution is subject to satisfaction (or waiver by BD in its sole and absolute discretion) of certain conditions. These conditions are described under “The Separation and Distribution—Conditions to the Distribution.” BD will have the sole and absolute discretion to determine (and change) the terms of, and to determine whether to proceed with, the distribution and, to the extent that it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio.

Claims

In general, each party to the separation and distribution agreement will assume liability for all pending, threatened and unasserted legal matters arising from its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

Releases

The separation and distribution agreement will provide that Embecta and its affiliates will release and discharge BD and its affiliates from all liabilities assumed by Embecta as part of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date arising from the diabetes care business, the SpinCo Assets and the SpinCo Liabilities and from all liabilities existing or arising in connection with the implementation of the separation, except as expressly set forth in the separation and distribution agreement. BD and its affiliates will release and discharge SpinCo and its affiliates from all liabilities retained by BD and its affiliates as part of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date arising from the Parent Business, the Parent Assets and the Parent Liabilities and from all liabilities existing or arising in connection with the implementation of the separation, except as expressly set forth in the separation and distribution agreement.

These releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation, which agreements include the separation and distribution agreement and the other agreements described under “Certain Relationships and Related Party Transactions.”

Indemnification

In the separation and distribution agreement, Embecta will agree to indemnify, defend and hold harmless BD, each of BD's affiliates, and each of their respective directors, officers, employees and agents, from and against all liabilities arising out of or resulting from:

- the SpinCo Liabilities;
- Embecta's failure or the failure of any other person to pay, perform or otherwise promptly discharge any of the Embecta Liabilities, in accordance with their respective terms, whether prior to, at or after the distribution;
- except to the extent arising from a BD Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Embecta by BD that survives the distribution;
- any breach by Embecta of the separation and distribution agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of a material fact in the Form 10 or in this information statement or other related disclosure document (as amended or supplemented), except for any such statements or omissions made explicitly in BD's name.

BD will agree to indemnify, defend and hold harmless Embecta, each of Embecta's affiliates and each of Embecta's affiliates' directors, officers, employees and agents from and against all liabilities arising out of or resulting from:

- the BD Liabilities;
- the failure of BD or any other person to pay, perform or otherwise promptly discharge any of the BD Liabilities in accordance with their respective terms whether prior to, at or after the distribution;
- except to the extent arising from a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of BD by Embecta that survives the distribution;
- any breach by BD of the separation and distribution agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of a material fact made explicitly in BD's name in the Form 10 or in this information statement or other related disclosure document (as amended or supplemented).

The separation and distribution agreement will also establish procedures with respect to claims subject to indemnification and related matters.

Indemnification with respect to taxes, and the procedures related thereto, will be governed by the tax matters agreement.

Insurance

The separation and distribution agreement will provide for the allocation between the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution and set forth procedures for the administration of insured claims and related matters.

Further Assurances

In addition to the actions specifically provided for in the separation and distribution agreement, except as otherwise set forth therein or in any ancillary agreement, Embecta and BD will agree in the separation and distribution agreement to use reasonable best efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the separation and distribution agreement and the ancillary agreements.

Dispute Resolution

The separation and distribution agreement will contain provisions that govern, except as otherwise provided in any ancillary agreement, the resolution of disputes, controversies or claims that may arise between Embecta and BD related to the separation or distribution and that are unable to be resolved through good faith discussions between Embecta and BD. These provisions will contemplate that efforts will be made to resolve disputes, controversies and claims through a transition committee, and if the efforts are not successful, by escalation of the matter to executives of the parties in dispute. If such efforts are not successful, one of the parties in dispute may submit the dispute, controversy or claim to nonbinding mediation, and if such efforts are still not successful, either party may commence litigation, in each case subject to or as otherwise set forth in the provisions of the separation and distribution agreement.

Expenses

Except as expressly set forth in the separation and distribution agreement or in any ancillary agreement, the party incurring the expense will be responsible for all fees, costs and expenses incurred in connection with the separation prior to the distribution date.

Other Matters

Other matters governed by the separation and distribution agreement will include, among others, approvals and notifications of transfer, termination of intercompany agreements, shared contracts, financial information certifications, transition committee provisions, confidentiality, access to and provision of records, privacy and data protection, production of witnesses, privileged matters and financing arrangements.

Amendment and Termination

The separation and distribution agreement will provide that it may be terminated, and the separation and distribution agreement may be amended, modified or abandoned, at any time prior to the distribution date in the sole and absolute discretion of without the approval of any person, including Embecta.

The separation and distribution agreement will provide that no provision of the separation and distribution agreement or any ancillary agreement may be waived, amended, supplemented or modified by a party without the written consent of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

After the distribution date, the separation and distribution agreement may not be terminated, except by an agreement in writing signed by both Embecta and BD.

In the event of a termination of the separation and distribution agreement, no party, nor any of its directors, officers or employees, will have any liability of any kind to the other parties or any other person.

Transition Services Agreement

Embecta and BD will enter into a transition services agreement in connection with the separation pursuant to which Embecta and BD and their respective affiliates will provide each other, on an interim, transitional basis,

various services, including, but not limited to, information technology, procurement, quality and regulatory affairs, medical affairs, tax and treasury services. The agreed-upon charges for such services are generally intended to allow the servicing party to charge a price comprised of out-of-pocket costs and expenses and a predetermined profit in the form of a mark-up of such out-of-pocket expenses. The party receiving each transition service will be provided with reasonable information that supports the charges for such transition service by the party providing the service.

The services will commence on the distribution date and terminate no later than 24 months following the distribution date. The receiving party may terminate any services by giving prior written notice to the provider of such services and paying any applicable wind-down charges.

Subject to certain exceptions, the liabilities of each party providing services under the transition services agreement will generally be limited to the aggregate charges actually paid to such party by the other party in the prior 12 months (or such shorter period if 12 months has not elapsed) pursuant to the transition services agreement. The transition services agreement also will provide that the provider of a service will not be liable to the recipient of such service for any lost profits, special, indirect, incidental, consequential, punitive, exemplary, remote, speculative or similar damages.

Tax Matters Agreement

In connection with the separation, Embecta and BD will enter into a tax matters agreement that will govern the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes.

The tax matters agreement will provide special rules that allocate tax liabilities in the event the distribution or certain related transactions fail to qualify as transactions that are tax-free for U.S. federal income tax purposes (other than any cash that BD shareholders receive in lieu of fractional shares). Under the tax matters agreement, Embecta will generally agree to indemnify BD and its affiliates against any and all tax-related liabilities incurred by them relating to the distribution and certain related transactions, to the extent caused by any representation by Embecta being incorrect or an acquisition of Embecta's stock or assets or by any other action undertaken or failure to act by Embecta. This indemnification will apply even if BD has permitted Embecta to take an action that would otherwise have been prohibited under the tax-related covenants described below.

Pursuant to the tax matters agreement, Embecta will agree to certain covenants that contain restrictions intended to preserve the tax-free status of the distribution and certain related transactions. Embecta may take certain actions prohibited by these covenants only if Embecta obtains and provides to BD an opinion from a U.S. tax counsel or accountant of recognized national standing, in either case satisfactory to BD, to the effect that such action would not jeopardize the tax-free status of these transactions, or if Embecta obtains prior written consent of BD, in its sole and absolute discretion, waiving such requirement. Embecta will be barred from taking any action, or failing to take any action, including in each case those provided in connection with the private letter ruling from the IRS or the opinion of outside tax counsel, where such action or failure to act adversely affects or could reasonably be expected to adversely affect the tax-free status of these transactions or result in certain other taxes to BD, for all relevant time periods. In addition, during the period ending two years after the date of the distribution, these covenants will include specific restrictions on Embecta's (i) discontinuing the active conduct of Embecta's trade or business; (ii) issuance or sale of stock or other securities (including securities convertible into Embecta stock, but excluding certain compensatory arrangements); (iii) liquidating, merging, or consolidating with any other person; (iv) amending Embecta's certificate of incorporation (or other organizational documents) or taking any other action, whether through a stockholder vote or otherwise, affecting the voting rights of Embecta common stock; (v) sales of assets outside the ordinary course of business; and (vi) entering into any other corporate transaction which would cause Embecta to undergo a 50% or greater change in its stock ownership.

Employee Matters Agreement

Embecta and BD will enter into an employee matters agreement in connection with the separation to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs, and other related matters. The employee matters agreement will govern certain compensation and employee benefit obligations with respect to the former employees of BD and current employees and non-employee directors of each company.

The employee matters agreement will provide that, unless otherwise specified, each party will be responsible for liabilities associated with current employees of such party and its subsidiaries for purposes of post-separation compensation and benefit matters. The employee matters agreement will also provide that BD will retain all liabilities associated with former employees (who are not Embecta employees) and all liabilities under BD's United States and international defined benefit pension plans; however, Embecta employees participating in the BD U.S. Defined Benefit Plan will receive credit for their service with Embecta for purposes of vesting and eligibility in early retirement subsidies, and Embecta will reimburse BD for the estimated costs of such early retirement subsidies for participating Embecta employees. The employee matters agreement will also provide, subject to customary exceptions, that neither Embecta nor BD nor their respective subsidiaries will solicit or hire for employment any individual who is an employee of the other party or its subsidiaries for a period of two years following the distribution date.

The employee matters agreement will also govern the terms of equity-based awards granted by BD prior to the separation. See "The Separation and Distribution—Treatment of Equity-Based Compensation."

Cannula Supply Agreement

Embecta and BD will enter into a cannula supply agreement in connection with the separation whereby BD will sell to Embecta cannulas for incorporation into Embecta's existing syringes and pen needles and its insulin patch pump, safety pen needle and pen needle currently under development, all for sale within the diabetes care sector. After the separation, BD will retain ownership of all cannula technology, cannula production activities and the intellectual property rights therein, including all intellectual property rights relating to cannula, the manufacture thereof, and other critical cannula-related technology (the "Retained Cannula IP"). Pursuant to the intellectual property matters agreement, which is described below under "—Intellectual Property Matters Agreement," BD will grant to Embecta a non-exclusive license, without the right to sublicense, to use the intellectual property relating to the cannulization process within the syringe and pen needle lines at the Embecta facilities in Holdrege, Nebraska, Dun Laoghaire, Ireland, and Suzhou, China (the "Manufacturing Line IP") in connection with the manufacture of products in the diabetes care sector that contain either BD cannula or third-party-sourced cannula (as permitted under the Cannula Supply Agreement) to the extent that such Manufacturing Line IP was used in or for the diabetes care business prior to the separation; provided that such license is royalty-free with respect to BD cannula and royalty-bearing with respect to third-party sourced cannula.

Embecta is also limited to a maximum number of cannulas that it can purchase under the cannula supply agreement, which will be an absolute upper limit of cannulas per year and yearly limits that vary with annual demand. The cannula supply agreement will also contain quantity, pricing and other terms.

The cannula supply agreement will be terminable by Embecta without cause by providing at least 36 months' written notice; however, such termination can be effective no earlier than five years from the distribution date. The cannula supply agreement will be terminable by BD without cause by providing at least 36 months' written notice; however, such termination can be effective no earlier than ten years from the distribution date. However, in the event of a change of control of Embecta, BD will have the right to terminate the cannula supply agreement in its sole discretion. The cannula supply agreement will also terminate automatically, subject to a 36-month wind-down period, if Embecta's yearly forecast is below the required minimum purchase amount, and the parties will have other customary termination rights for material breach or bankruptcy of the other party.

Contract Manufacturing Agreements

In order to accommodate the manufacturing and/or sterilization of certain BD Business products at Embecta's facilities in Dun Laoghaire, Ireland, and Suzhou, China and Embecta's leased facility in Holdrege, Nebraska, Embecta and BD will enter into one or more manufacturing, supply, and/or services agreements pursuant to which Embecta will manufacture and supply, at these facilities, non-insulin patch pumps, blood collection tubes, safety syringes and certain other products and product components, and provide sterilization and other services, to BD.

In order to accommodate the operation of certain Embecta equipment in BD's facilities in Drogheda, Ireland, Embecta and BD will enter into one or more manufacturing, supply, and/or services agreements pursuant to which BD will manufacture and supply pen needles for Embecta at these facilities.

In order to accommodate the manufacturing of BD SafetyGlide™ syringes at Embecta's facilities in Holdrege, Nebraska, Embecta and BD will enter into a contract manufacturing agreement whereby Embecta will manufacture and supply BD SafetyGlide™ syringes for BD at these facilities.

In order to accommodate the manufacturing and/or repackaging of certain diabetes care business products at BD's facilities in Bawal, India, Cuautitlan, Mexico and Curitiba, Brazil, Embecta and BD will enter into a contract manufacturing agreement whereby BD will manufacture and/or repackage pen needles and/or syringes for Embecta at these facilities.

Lease Agreement for Holdrege

Embecta and a subsidiary of BD will enter into a long-term lease agreement and related agreements (including a services agreement for warehousing and sterilization services), which will provide for (1) the lease by Embecta from such subsidiary of physical space in such subsidiary's manufacturing plant in Holdrege, Nebraska and (2) a services agreement under which such subsidiary will provide sterilization and warehousing services for Embecta at such manufacturing plant. The initial term of the lease is ten years, with Embecta having a one-time option to extend for an additional one, two, three, four or five years by giving BD written notice prior to the end of the seventh lease year. The initial annual base rent under the lease is generally intended to permit BD to recover its costs plus a predetermined profit, and is subject to 3% annual escalations on base rent. Embecta is also responsible for its proportionate share of the facility's management fee, taxes, insurance and utilities. Embecta agreed that it would be a default under the lease if Embecta, directly or indirectly, by operation of law, merger, consolidation, reorganization or otherwise (including by transfer of a direct or indirect majority interest in it), mortgages, pledges, encumbers, sells, transfers, assigns or sublets the lease without consent (which shall be in BD's sole and absolute discretion).

Intellectual Property Matters Agreement

Embecta and BD will enter into an intellectual property matters agreement with respect to intellectual property that is used by both the diabetes care business and the BD Business, in order to ensure that each of Embecta and BD will have the intellectual property rights it needs to operate its respective business, as currently conducted, including (1) a perpetual, non-exclusive, royalty-free, sub-licensable, worldwide license from BD to Embecta under certain intellectual property to the extent used in or for the diabetes care business or in the operation thereof as of or prior to the separation (but excluding the Retained Cannula IP and the Manufacturing Line IP), and including patch pump technologies or certain other technologies with applicability in diabetes care, and in each case, for use in the field of diabetes care; provided that Embecta may have certain exclusive rights with respect to (i) patch pump products commercialized for infusion of insulin or insulin analogs and (ii) syringe or pen needle products promoted, marketed or labeled for injection of insulin or insulin analogs, (2) a perpetual, non-exclusive, royalty-free, sub-licensable, worldwide license from Embecta to BD under intellectual property to the extent used in or for the BD Business or in the operation thereof as of, or prior to, the separation, and in each case, for use in all fields other than diabetes care and (3) as noted above under "—Cannula Supply Agreement," a non-exclusive license, without the right to sublicense, from BD to Embecta to use the Manufacturing Line IP in

connection with the manufacture of products in the diabetes care sector that contain either BD cannula or third-party-sourced cannula (as permitted under the Cannula Supply Agreement) to the extent that such Manufacturing Line IP was used in or for the diabetes care business prior to the separation; provided that such license is royalty-free with respect to BD cannula and royalty-bearing with respect to third-party-sourced cannula.

Logistics Services Agreement

Embecta and BD will enter into a logistics services agreement whereby BD will provide Embecta with certain order-to-cash and logistics services to support certain commercial operations of the diabetes care business for a maximum term of two years, including (1) master data management, (2) order management and customer service support, (3) customer invoicing, (4) returns management, (5) administration of end user tracing, (6) sales reporting, (7) accounts receivable management, cash collections and cash application, (8) demand, supply, operations and planning, (9) inbound freight management, (10) import/export logistics, (11) global trade services, (12) warehousing, (13) inventory handling, management and reporting and (14) outbound freight management. Embecta shall pay BD: (i) reimbursable costs, including all shipping costs, selling costs, general administration costs, costs of goods, R&D services costs, and other income and expenses related solely to the diabetes care business direct P&L, that are incurred by BD directly, as allocated costs or as costs payable to a third party and (ii) a monthly administrative fee of 1% of net revenue.

Distribution Agreements

Embecta and BD will enter into distribution agreements for certain territories, principally in the Asia Pacific Region, EMEA and Latin America, whereby a subsidiary of BD will be appointed as a distributor of Embecta to support certain commercial operations of the diabetes care business on a transitional basis in these regions for a maximum of two years. The distribution agreements will each continue until either (1) certain governmental approvals needed to distribute products in the defined territory are obtained and order-to-cash processes and other services of the diabetes care business for such territory are migrated to an alternative commercial arrangement between the parties or (2) the applicable services are transitioned to a third-party distributor or independently performed by Embecta, but in any event no longer than the maximum term of two years. Embecta shall pay BD a return of 1.5% to 2% of net revenue for each territory.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material U.S. federal income tax consequences of the distribution to "U.S. holders" (as defined below) of BD common stock. This summary is based on the Code, U.S. Treasury Regulations promulgated thereunder, administrative interpretations and court decisions as in effect as of the date of this information statement, all of which may change at any time, possibly with retroactive effect. Any such change or interpretation could affect the tax consequences described below. This discussion assumes that the separation and the distribution, together with certain related transactions, were or will be consummated in accordance with the separation and distribution agreement and the other agreements related to the separation and as described in this information statement.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of BD common stock that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation (or any other entity treated 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;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (1) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all of the substantial decisions of such trust or (2) it has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

This discussion addresses only the consequences to U.S. holders of shares of BD common stock who hold such shares as capital assets. It does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder of BD common stock in light of that shareholder's particular circumstances, nor does it address any tax consequences to stockholders subject to special treatment under the U.S. federal income tax laws, including:

- a dealer or broker in securities, commodities or foreign currencies;
- a tax-exempt organization;
- a financial institution, regulated investment company or insurance company;
- a holder who acquired BD common stock pursuant to the exercise of employee stock options or similar derivative securities otherwise as compensation;
- a holder who owns BD common stock as part of a hedge, appreciated financial position, straddle, conversion or other risk reduction transaction; or
- a holder who holds BD common stock in a tax-deferred account, such as an individual retirement account.

This discussion does not address any state, local or non-U.S. tax consequences or any estate, gift or other non-income tax consequences, or any considerations under U.S. federal laws other than those pertaining to the U.S. federal income tax.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds BD common stock, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding BD common stock should consult its own tax advisor.

The discussion of U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the distribution. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances.

ACCORDINGLY, EACH HOLDER OF BD COMMON STOCK SHOULD CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME OR OTHER TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH HOLDER.

Private Letter Ruling and Tax Opinion

BD has received a private letter ruling from the IRS to the effect that, among other things, the separation and the distribution will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355, and 361 of the Code. It is a condition to the distribution that BD receive (i) a private letter ruling from the IRS, satisfactory to the BD Board of Directors, regarding certain U.S. federal income tax matters relating to the separation and distribution and (ii) an opinion of BD's outside tax counsel, satisfactory to the BD Board of Directors, regarding the qualification of the contribution of assets from BD to Embecta and the distribution, taken together, as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code and such opinion has not been withdrawn or rescinded. The opinion of BD's outside tax counsel will be, and the private letter ruling is, based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of BD and Embecta, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations and statements are or become inaccurate or incomplete, or if any such undertaking is not complied with, BD may not be able to rely on the opinion of BD's outside tax counsel or the private letter ruling, and the conclusions reached therein could be jeopardized.

Notwithstanding BD's receipt of the private letter ruling or the opinion of BD's outside tax counsel, the IRS could determine on audit that the distribution or certain related transactions are taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements and undertakings upon which the private letter ruling or the opinion were based are incorrect or have been violated, or if it disagrees with any of the conclusions in the opinion. Accordingly, notwithstanding BD's receipt of the private letter ruling or the opinion of BD's outside tax counsel, there can be no assurance that the IRS will not assert that the distribution or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge.

Distribution

Assuming that the distribution, together with certain related transactions, qualifies as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355 of the Code, then, for U.S. federal income tax purposes:

- BD will not recognize income, gain or loss on the distribution;
- except with respect to the receipt of cash in lieu of fractional shares of Embecta common stock, holders of BD common stock will not recognize income, gain or loss on the receipt of Embecta common stock in the distribution;
- a U.S. holder's aggregate tax basis in its shares of BD common stock and Embecta common stock (including any fractional shares deemed received, as described below) immediately after the distribution will be the same as the aggregate tax basis of the shares of BD common stock held by the U.S. holder immediately before the distribution, allocated between such shares of BD common stock and Embecta common stock in proportion to their relative fair market values; and
- a U.S. holder's holding period in the Embecta common stock received in the distribution (including any fractional shares deemed received, as described below) will include the holding period of the BD common stock with respect to which such Embecta common stock was received.

U.S. holders that have acquired different blocks of BD common stock at different times or at different prices should consult their tax advisors regarding the allocation of their aggregate tax basis in, and the holding period of, the Embecta common stock distributed with respect to such blocks of BD common stock.

A U.S. holder that receives cash in lieu of a fractional share of Embecta common stock in the distribution will generally be treated as having received such fractional share pursuant to the distribution and then as having

sold such fractional share for cash. Taxable gain or loss will be recognized in an amount equal to the difference between (i) the amount of cash received in lieu of the fractional share and (ii) the U.S. holder's tax basis in the fractional share, as described above. Such gain or loss will generally be long-term capital gain or loss if the U.S. holder's holding period for its Embecta common stock, as described above, exceeds one year at the effective time of the distribution. Long-term capital gains are generally subject to preferential U.S. federal income tax rates for certain non-corporate U.S. holders (including individuals). The deductibility of capital losses is subject to limitations under the Code.

If the distribution were determined not to qualify for tax-free treatment under Section 355 of the Code, BD would generally be subject to tax as if it sold the Embecta common stock in a taxable transaction. BD would recognize taxable gain in an amount equal to the excess of (i) the total fair market value of the shares of Embecta common stock distributed in the distribution over (ii) BD's aggregate tax basis in such shares of Embecta common stock. In addition, each U.S. holder who receives Embecta common stock in the distribution would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of the Embecta common stock received by the U.S. holder in the distribution. In general, such distribution would be taxable as a dividend to the extent of BD's current and accumulated earnings and profits (as determined for U.S. federal income tax purposes). To the extent the distribution exceeds such earnings and profits, the distribution would generally constitute a non-taxable return of capital to the extent of the U.S. holder's tax basis in its shares of BD common stock, with any remaining amount of the distribution taxed as capital gain. A U.S. holder would have a tax basis in its shares of Embecta common stock equal to their fair market value. Certain U.S. holders may be subject to special rules governing taxable distributions, such as those that relate to the dividends received deduction and extraordinary dividends.

Even if the distribution otherwise qualifies under Section 355 of the Code, the distribution would be taxable to BD (but not to its U.S. holders) pursuant to Section 355(e) of the Code if one or more persons acquire a 50% or greater interest (measured by vote or value) in the stock of BD or Embecta, directly or indirectly (including through acquisitions of stock after the completion of the distribution), as part of a plan or series of related transactions that includes the distribution. Current law generally creates a presumption that any direct or indirect acquisition of stock of BD or Embecta within two years before or after the distribution is part of a plan that includes the distribution, although the parties may be able to rebut that presumption in certain circumstances. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature and subject to a comprehensive analysis of the facts and circumstances of the particular case. If the IRS were to determine that direct or indirect acquisitions of stock of BD or Embecta, either before or after the distribution, were part of a plan that includes the distribution, such determination could cause Section 355(e) of the Code to apply to the distribution, which could result in a material tax liability.

Under the tax matters agreement that Embecta will enter into with BD, Embecta generally will be required to indemnify BD for any taxes incurred by BD that arise as a result of Embecta taking or failing to take, as the case may be, certain actions that result in the distribution and certain related transactions failing to qualify as tax-free for U.S. federal income tax purposes or that result in certain other taxes to BD. For a more detailed discussion, see "Certain Relationships and Related Party Transactions—Tax Matters Agreement."

Information Reporting

Current Treasury regulations require certain U.S. holders of BD common stock who are "significant distributees" (generally, a U.S. holder that owns at least 5% of the outstanding BD common stock immediately before the distribution) and who receive Embecta common stock pursuant to the distribution to attach to their U.S. federal income tax returns for the taxable year in which the distribution occurs a statement setting forth certain information with respect to the transaction. BD will provide holders of BD common stock with the information necessary to comply with this requirement. U.S. holders should consult their tax advisors to determine whether they are significant distributees required to provide the foregoing statement.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary sets forth information based on Embecta's current expectations about the financing arrangements anticipated to be entered into in connection with the separation and distribution. However, Embecta has not yet entered into definitive material agreements with respect to such financing arrangements, and, accordingly, the terms of such financing arrangements are subject to change, including as a result of market conditions. The definitive agreements, when entered into, shall set forth the definitive terms of the financing arrangements.

In connection with the separation and distribution, Embecta expects to issue $500 million aggregate principal amount of senior secured notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to non-U.S. persons in reliance on Regulation S under the Securities Act. Prior to the completion of the distribution, Embecta also expects to enter into a credit agreement providing for a $500 million senior secured five-year revolving credit facility and a $1,150 million senior secured seven-year first lien term loan facility. Embecta intends to use the net proceeds from the sale of senior secured notes, together with borrowings under the term loan, (i) to finance the payment of a $1,440 million distribution to BD prior to the distribution (which amount is subject to change), (ii) to pay fees and expenses related to the offering and the separation and distribution and (iii) for general corporate purposes.

Embecta's targeted debt balance at the time of the separation was determined based on internal capital planning and considered the following factors and assumptions: anticipated business plan, optimal debt levels, operating activities, general economic contingencies, credit rating and desired financing capacity.

Nothing in this summary or otherwise herein shall constitute or be deemed to constitute an offer to sell or the solicitation of an offer to buy any debt instruments. The description contained herein and the other information in this information statement regarding the potential offering of the notes is included in this information statement solely for informational purposes.

Senior Secured Notes

In connection with the separation and distribution, Embecta expects to issue $500 million aggregate principal amount of 5.000% senior secured notes due 2030 in a private offering exempt from the registration requirements of the Securities Act. The notes will mature on February 15, 2030. The notes will bear interest at a rate of 5.000% per annum, payable semi-annually.

The notes will not be redeemable until after February 15, 2027, subject to certain limited exceptions. After February 15, 2027, the notes will be redeemable at Embecta's option in a customary manner and at the prices set forth therein.

Prior to the completion of the distribution, Embecta expects that the notes will be unsecured, unsubordinated obligations of Embecta and guaranteed on an unsecured, unsubordinated basis solely by BD, which guarantee will automatically and unconditionally terminate and be released upon the earlier to occur of (i) the completion of the distribution or (ii) the consummation of a defeasance or satisfaction and discharge in accordance with the provisions of the indenture that will govern the notes. From and after the completion of the distribution, Embecta expects that the notes will be, jointly and severally, guaranteed by each of Embecta's existing and future direct or indirect wholly owned domestic restricted subsidiaries (subject to certain exceptions) that is a borrower or guarantor under the Senior Secured Credit Facilities (as defined below).

From and after the completion of the distribution, the notes and related guarantees will be secured by a first priority lien on substantially all of the assets of Embecta and its subsidiary guarantors (subject to permitted liens and certain other exceptions), equally and ratably with all existing and future first lien obligations of Embecta

and the subsidiary guarantors, including the Senior Secured Credit Facilities, subject to the provisions of a first lien pari passu intercreditor agreement. Such intercreditor agreement will set forth the relative rights of, and relationship among, the holders of the notes, the secured parties under the Senior Secured Credit Facilities and the holders of any future obligations permitted to be secured by the collateral on a *pari passu* basis with the notes in respect of the collateral.

The notes are expected to contain customary affirmative and negative covenants, which covenants are expected to include, among others, limitations on the incurrence of indebtedness, restricted payments, liens, restrictions on distributions from subsidiaries, sales of assets and subsidiary stock, affiliate transactions and certain mergers and consolidations.

Embecta expects that the notes will be subject to customary events of default for financings of this type, which events of default are expected to include, among others, non-payment of principal, interest or premium, failure to comply with certain covenants and certain bankruptcy or insolvency events.

Senior Secured Credit Facilities

Prior to the distribution, Embecta expects to enter into a credit agreement (the "Credit Agreement"), as borrower, together with Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent, and the other lenders and L/C issuers from time to time party thereto.

The Credit Agreement is expected to provide for (a) a $500 million senior secured five-year revolving credit facility and (b) a $1,150 million senior secured seven-year term loan facility (collectively, the "Senior Secured Credit Facilities"). The proceeds under the revolving credit facility may be used for working capital and other general corporate purposes, including the financing of restricted payments, permitted acquisitions and other permitted investments, and for any other purpose not prohibited by the Credit Agreement. Prior to the completion of the distribution, Embecta's obligations under the Credit Agreement are expected to be guaranteed by BD on an unsecured, unsubordinated basis. On and after the completion of the distribution, Embecta's obligations are expected to be guaranteed by Embecta's existing and subsequently acquired wholly owned domestic subsidiaries, subject to certain exceptions, and are expected to be secured by a first priority lien on substantially all of the assets of Embecta and the subsidiary guarantors, subject to permitted liens and certain other customary exceptions. Upon the completion of the distribution, BD is expected to be relieved of all obligations under the Senior Secured Credit Facilities.

Embecta expects that the Credit Agreement will contain affirmative and negative covenants customary for financings of this type, including, among others, delivery of financial and other information; compliance with laws; maintenance of property, existence, insurance, books and records and public ratings; use of proceeds; inspection rights; obligation to provide collateral for newly acquired property and guarantees by certain new subsidiaries; and limitations with respect to indebtedness, liens, acquisitions and other investments, fundamental changes, restrictive agreements, dividends and redemptions or repurchases of stock, prepayments of certain subordinated indebtedness, dispositions of assets and transactions with affiliates, in each case subject to certain exceptions. In addition, the Credit Agreement is expected to require that Embecta maintain a first lien net leverage ratio not to exceed 4.75 to 1.00, measured as of the last day of each fiscal quarter beginning with the first full fiscal quarter after the closing of the Senior Secured Credit Facilities. The Credit Agreement is also expected to contain events of default customary for financings of this type, including, among others, material breach of representations and warranties, failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or default under certain other indebtedness in excess of a threshold amount, and certain events of bankruptcy and insolvency.

Embecta-to-BD Distribution Transaction

Prior to the completion of the distribution, it is expected that Embecta will pay a dividend to BD equal to all of Embecta's cash and cash equivalents in excess of $160 million. However, prior to the completion of the

distribution, BD may cause Embecta to issue the Exchange Debt to effect a Debt-For-Debt Exchange. Embecta anticipates that in the event that such additional debt takes the form of additional secured notes, Embecta would reduce the aggregate principal amount of term loans under the Senior Secured Credit Facilities incurred on or prior to the completion of the distribution by an aggregate principal amount equal to the aggregate principal amount of any such Exchange Debt. In the event that BD determines that Embecta shall issue the Exchange Debt to BD, then the amount of the cash dividend from Embecta to BD shall be equal to (1) the amount of the cash dividend from Embecta to BD that would have been made if the Exchange Debt had not been issued, *less* (2) the aggregate principal amount of any such Exchange Debt. We refer to the cash dividend, taken together with the issuance of the Exchange Debt, if applicable, as the "Embecta-to-BD Distribution Transaction."

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the separation and distribution, all of the outstanding shares of Embecta common stock will be owned beneficially and of record by BD. Following the separation and distribution, Embecta expects to have outstanding an aggregate of approximately 57 million shares of common stock based upon approximately 284 million shares of BD common stock issued and outstanding on October 31, 2021, excluding treasury shares, assuming no exercise of any shares issued under BD equity compensation awards and applying the distribution ratio.

Securities Owned by Certain Beneficial Owners

The following table sets forth information concerning those persons known to Embecta that are expected to be the beneficial owner of more than 5% of Embecta's outstanding common stock immediately following the completion of the distribution. The below table is based on information available as of September 30, 2021 and based upon the assumption that, for every five shares of BD common stock held by such persons, they will receive one share of Embecta common stock. In general, "beneficial ownership" includes those shares that a person has the sole or shared power to vote or dispose of, including shares that the person has the right to acquire within 60 days.

Name and Address of Beneficial Owner	Title of Security	Amount and Nature of Beneficial Ownership	Percent of Class
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	Common Stock	4,831,589(1)	8.5%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	Common Stock	3,973,178(2)	7.0%
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	Common Stock	3,088,052(3)	5.4%
Wellington Management Group LLP 280 Congress Street Boston, MA 02210	Common Stock	2,897,949(4)	5.1%

(1) The beneficial owner is expected to have sole dispositive power with respect to approximately 4,592,284 shares and shared dispositive power with respect to approximately 239,305 shares, and is expected to have shared voting power with respect to approximately 99,368 shares.

(2) The beneficial owner is expected to have sole dispositive power with respect to these shares and sole voting power with respect to approximately 3,408,591 shares.

(3) The beneficial owner is expected to have sole dispositive power with respect to these shares and sole voting power with respect to approximately 1,876,578 shares.

(4) The beneficial owner is expected to have shared dispositive power with respect to these shares and shared voting power with respect to approximately 2,717,274 shares.

Stock Ownership of Directors and Executive Officers

The following table sets forth information concerning the expected beneficial ownership of Embecta common stock by (i) each director, (ii) the executive officers, and (iii) all Embecta directors and executive officers as a group immediately following the completion of the distribution, based on information available as of December 1, 2021 and based on the assumption that, for every five shares of BD common stock held by such persons, they will receive one share of Embecta common stock. Each person has the sole power to vote and dispose of the shares he or she beneficially owns. None of these individuals, or the group as a whole, would be expected to beneficially own more than 1% of Embecta's common stock immediately following the completion of the distribution.

Name	Amount and Nature of Beneficial Ownership(1)(2)	Percentage of Class
Devdatt (Dev) Kurdikar	993	*
David F. Melcher	1,522	*
David J. Albritton	0	—
Carrie L. Anderson	0	—
Robert (Bob) J. Hombach	6	*
Milton M. Morris, Ph.D.	0	—
Claire Pomeroy	1,825	*
Karen N. Prange	0	—
Christopher R. Reidy	60,413	*
Jacob (Jake) Elguicze	501	*
Brian Capone	84	*
Shaun Curtis	291	*
Ajay Kumar	223	*
Jeff Mann	336	*

* Less than one percent.

(1) Includes (a) shares held directly, (b) with respect to executive officers and Mr. Reidy, indirect interests in BD common stock held under BD plans, and (c) with respect to Mr. Melcher and Dr. Pomeroy, indirect interests in BD common stock held under the BD Directors' Deferral Plan.

(2) Pursuant to SEC regulations, shares receivable through the exercise of BD stock options that are exercisable, and shares issuable pursuant to BD restricted stock units that will vest, within 60 days after December 1, 2021 are deemed to be beneficially owned as of December 1, 2021. For purposes of this table, shares of BD common stock underlying such options and restricted stock units are treated as outstanding as of December 1, 2021 and converted into Embecta shares based upon the distribution ratio.

DESCRIPTION OF EMBECTA CAPITAL STOCK

Embecta's certificate of incorporation and bylaws will be amended and restated prior to the distribution. The following briefly summarizes the material terms of Embecta capital stock that will be contained in its amended and restated certificate of incorporation and amended and restated bylaws. These summaries do not describe every aspect of these securities and documents and are subject to all the provisions of Embecta's amended and restated certificate of incorporation or amended and restated bylaws that will be in effect at the time of the distribution, and are qualified in their entirety by reference to these documents, which you should read for complete information on its capital stock as of the time of the distribution. The amended and restated certificate of incorporation and amended and restated bylaws, each in a form expected to be in effect at the time of the distribution, will be included as exhibits to Embecta's registration statement on Form 10, of which this information statement forms a part. Embecta will include its amended and restated certificate of incorporation and amended and restated bylaws, as in effect at the time of the distribution, in a Current Report on Form 8-K filed with the SEC. The following also summarizes certain relevant provisions of the Delaware General Corporation Law, or the DGCL.

General

Embecta's authorized capital stock will consist of 250,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $0.01 per share. Embecta's Board of Directors may establish the rights and preferences of the preferred stock from time to time. Immediately following the distribution, Embecta expects that approximately 57 million shares of its common stock will be issued and outstanding (based on approximately 284 million shares of BD common stock outstanding on October 31, 2021), and that no shares of its preferred stock will be issued and outstanding.

Common Stock

Each holder of Embecta common stock will be entitled to one vote for each share on all matters to be voted upon by the holders of Embecta common stock, and there will be no cumulative voting rights. Subject to any preferential rights of any outstanding preferred stock, holders of Embecta common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by its Board of Directors out of funds legally available for that purpose. If there is a liquidation, dissolution or winding up of Embecta, holders of its common stock would be entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

Holders of Embecta common stock will have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the Embecta common stock. After the distribution, all outstanding shares of Embecta common stock will be fully paid and non-assessable. The rights, preferences and privileges of the holders of Embecta common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that Embecta may designate and issue in the future.

Preferred Stock

Under the terms of Embecta's amended and restated certificate of incorporation, its Board of Directors will be authorized, subject to limitations prescribed by the DGCL, and by its amended and restated certificate of incorporation, to issue preferred stock in one or more series without further action by the holders of its common stock. Embecta's Board of Directors will have the discretion, subject to limitations prescribed by the DGCL and by Embecta's amended and restated certificate of incorporation, to determine the designations, powers, rights, preferences, qualifications, limitations and restrictions, including voting rights, dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights, of each series of preferred stock. It is not

possible to state the actual effect of the issuance of any additional series of preferred stock upon the rights of common stockholders until Embecta's Board of Directors determines the specific rights of the holders of that series. However, the effects might include, among other things (1) restricting dividends on Embecta common stock, (2) diluting the voting power of Embecta common stock, (3) impairing the liquidation rights of Embecta common stock or (4) delaying or preventing a change in control of Embecta without further action by the stockholders. Embecta expects that there will be no shares of its preferred stock issued and outstanding immediately following the distribution.

Anti-Takeover Effects of Governance Provisions

Certain provisions of Delaware law and Embecta's amended and restated certificate of incorporation and bylaws may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or change in control of Embecta that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of Embecta's Board of Directors and in the policies formulated by Embecta's Board of Directors and could discourage certain types of transactions that may involve an actual or threatened change of control.

- *Classified Board.* Embecta's amended and restated certificate of incorporation will provide that, until the annual stockholder meeting in 2026, Embecta's Board of Directors will be divided into three classes, with each class consisting, as nearly as reasonably possible, of one-third of the total number of directors. The first term of office for the Class I directors will expire at the 2023 annual meeting of stockholders. The first term of office for the Class II directors will expire at the 2024 annual meeting of stockholders. The first term of office for the Class III directors will expire at the 2025 annual meeting of stockholders. At the 2023 annual meeting of stockholders, the Class I directors will be elected for a term of office to expire at the 2026 annual meeting of stockholders. At the 2024 annual meeting of stockholders, the Class II directors will be elected for a term of office to expire at the 2026 annual meeting of stockholders. At the 2025 annual meeting of stockholders, the Class III directors will be elected for a term of office to expire at the 2026 annual meeting of stockholders. Commencing with the 2026 annual meeting of stockholders, all directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and Embecta's Board of Directors will thereafter no longer be divided into classes. Before Embecta's Board of Directors is declassified, it would take at least two annual stockholders meetings to occur for any individual or group to gain control of Embecta's Board of Directors. Accordingly, while the Board of Directors is divided into classes, these provisions could discourage a third-party from initiating a proxy contest, making a tender offer or otherwise attempting to control Embecta.
- *Removal and Vacancies.* Embecta's amended and restated certificate of incorporation and bylaws will provide that (i) until the 2026 annual meeting of stockholders (or such other time as the Board of Directors is no longer classified under the DGCL), Embecta stockholders may remove directors only for cause and (ii) from and including the 2026 annual meeting of stockholders (or such other time as the Board of Directors is no longer classified under the DGCL), Embecta stockholders may remove directors with or without cause. Removal will require the affirmative vote of holders of at least a majority of the voting power of Embecta stock outstanding and entitled to vote on such removal. Vacancies occurring on the Board of Directors, whether due to death, resignation, removal, retirement, disqualification or for any other reason, and newly created directorships resulting from an increase in the authorized number of directors, shall be filled solely by a majority of the remaining members of Embecta's Board of Directors or by a sole remaining director.
- *Size of the Board.* Embecta's amended and restated certificate of incorporation and bylaws will provide that Embecta's Board of Directors has the sole authority to fix the number of directors on the Board.
- *Blank Check Preferred Stock.* Embecta's amended and restated certificate of incorporation will authorize Embecta's Board of Directors to designate and issue, without any further vote or action by

the Embecta stockholders, up to 10,000,000 shares of preferred stock from time to time in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting powers (if any) of the shares of the series, and the preferences and relative, participating, optional and other rights, if any, and any qualifications, limitations or restrictions, of the shares of such series. The ability to issue such preferred stock could discourage potential acquisition proposals and could delay or prevent a change in control of Embecta.

- *No Stockholder Action by Written Consent.* Embecta's amended and restated certificate of incorporation and bylaws will expressly exclude the right of Embecta stockholders to act by written consent. Stockholder action must therefore take place at an annual meeting or at a special meeting of Embecta stockholders.
- *No Stockholder Ability to Call Special Meetings of Stockholders.* Embecta's amended and restated certificate of incorporation and bylaws will provide a special meeting of Embecta stockholders can only be called by the Chairman of the Board or a majority of the directors Embecta's Board of Directors. Embecta stockholders will not be able to call a special meeting of stockholders.
- *Requirements for Advance Notification of Stockholder Nominations and Proposals*. Embecta's amended and restated bylaws will require stockholders seeking to nominate persons for election as directors at an annual or special meeting of stockholders, or to bring other business before an annual or special meeting (other than a proposal submitted under Rule 14a-8 under the Exchange Act), to provide timely notice in writing. A stockholder's notice to Embecta's Corporate Secretary must be in proper written form and must set forth certain information, as required under Embecta's amended and restated bylaws, related to the stockholder giving the notice, the beneficial owner (if any) on whose behalf the nomination is made as well as their control persons and information about the proposal or nominee for election to the Board of Directors.
- *Amendments to Bylaws.* Embecta's amended and restated certificate of incorporation and bylaws will provide that Embecta's Board of Directors will have the authority to amend and repeal the Embecta amended and restated bylaws without a stockholder vote.
- *Exclusive Forum*. Embecta's amended and restated certificate of incorporation will provide that, unless Embecta (through approval of the Board of Directors) consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of Embecta, (2) any action or proceeding asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee of Embecta to Embecta or Embecta's stockholders, including any claim alleging aiding and abetting of such a breach of fiduciary duty, (3) any action or proceeding asserting a claim against Embecta or any current or former director or officer or other employee of Embecta arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL or Embecta's amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action or proceeding asserting a claim related to or involving Embecta or any current or former director or officer or other employee of Embecta governed by the internal affairs doctrine, or (5) any action or proceeding as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware. If and only if the Court of Chancery of the State of Delaware dismisses any such action or proceeding for lack of subject matter jurisdiction, such action or proceeding may be brought in another state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). These exclusive forum provisions will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. These exclusive forum provisions will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. Although Embecta believes the exclusive forum provision benefits

it by providing increased consistency in the application of law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against Embecta's directors and officers.

- *Business Combinations with Interested Stockholder*. Embecta is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for three years following the time that such person or entity becomes an interested stockholder, unless (i) prior to the time that such stockholder became an interested stockholder, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the outstanding voting stock, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares (A) owned by persons who are directors and also officers and (B) in employee stock plans in which employee participants do not have the right to determine confidentially whether shares subject to the plan will be tendered in a tender or exchange offer, or (iii) at or following the time that such stockholder become an interested stockholder, the board of directors and two-thirds of the shares (other than owned by the interested stockholder) approve the transaction. A corporation may "opt out" of Section 203 of the DGCL in its certificate of incorporation. Embecta will not "opt out" of, and will be subject to, Section 203 of the DGCL.

Limitation on Liability of Directors and Indemnification of Directors and Officers

Delaware law permits a corporation to adopt a provision in its certificate of incorporation eliminating or limiting, with exceptions, the monetary liability of a director to the corporation or its shareholders for breach of the director's fiduciary duties. Embecta's amended and restated certificate of incorporation will include provisions that eliminate the liability of directors to Embecta or its shareholders for monetary damages for a breach of fiduciary duties as directors to the fullest extent permitted by Delaware law. Under Delaware law, such a provision may not eliminate or limit a director's monetary liability for: (i) breaches of the director's duty of loyalty to the corporation or its shareholders; (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violation of law; (iii) the payment of unlawful dividends or stock repurchases or redemptions; or (iv) transactions in which the director received an improper personal benefit.

Embecta's amended and restated bylaws will generally provide indemnification and advancement of expenses for its directors and officers to the fullest extent permitted by the DGCL. Prior to the completion of the distribution, Embecta also intends to enter into indemnification agreements with each of its directors and executive officers that may, in some cases, be broader than the specific indemnification and advancement of expenses provisions contained under Delaware law.

Listing

Embecta's common stock has been approved for listing subject to official notice of issuance on Nasdaq under the symbol "EMBC."

Sale of Unregistered Securities

On July 8, 2021, Embecta issued 1,000 shares of its common stock to BD pursuant to Section 4(a)(2) of the Securities Act. Embecta did not register the issuance of the issued shares under the Securities Act because such issuance did not constitute a public offering.

Transfer Agent and Registrar

After the distribution, the transfer agent and registrar for Embecta common stock will be Computershare Trust Company, N.A.

WHERE YOU CAN FIND MORE INFORMATION

Embecta has filed a registration statement on Form 10 with the SEC with respect to the shares of its common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to Embecta and its common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document filed as an exhibit to the registration statement are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at *www.sec.gov*. Information contained on or connected to any website referenced in this information statement is not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

As a result of the distribution, Embecta will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC.

Embecta intends to furnish holders of its common stock with annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. Embecta has not authorized any person to provide you with different information or to make any representation not contained in this information statement.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Becton, Dickinson and Company

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of the Diabetes Care Business of Becton, Dickinson and Company (the Company) as of September 30, 2021 and 2020, the related combined statements of income, comprehensive income and cash flows for each of the three years in the period ended September 30, 2021, and the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the combined financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Income Taxes—Application of Separate Return Method
Description of the Matter	As described in Notes 1, 2, and 11 to the combined financial statements, the Company is included in the tax filings of Becton, Dickinson and Company (the Parent). The Company's income tax provision is determined on a separate return basis as if the Company was a stand-alone entity, based on management's interpretation of the tax regulations and rulings in numerous taxing jurisdictions. When calculating the income tax provision management made certain estimates and assumptions when identifying and measuring deferred tax assets and liabilities and identifying and allocating uncertain tax positions. The Company's income tax provision for 2021 was $80 million. In addition, as of September 30, 2021, the Company recorded a liability for unrecognized tax benefits of $20 million, and net deferred tax assets and liabilities of $9 million and $10 million, respectively. Given the multijurisdictional nature of the business, the complexity of the tax rules across the various countries the Company operates in, and the legal entity structure, auditing management's application of the hypothetical separate return method required a high degree of auditor judgment and increased extent of effort, including the need to involve our tax subject matter professionals.
How We Addressed the Matter in Our Audit	With the support of our tax subject matter professionals, our audit procedures related to management's application of the separate return method included evaluating the accuracy and completeness of the Company's income tax provision and management's assumptions used for measuring deferred tax assets and liabilities. For example, we evaluated the appropriateness of transfer pricing assumptions underlying the income tax provision. We developed an expectation of the foreign income tax expense by jurisdiction and compared it to the recorded balances. Additionally, we assessed the reasonableness of management's significant judgments regarding the identification and allocation of uncertain tax positions by analyzing the Company's evaluation of the Parent's uncertain tax positions to determine which positions were attributable to the separate operations of the Company. We involved our tax subject matter professionals to evaluate the technical merits of the Company's accounting for its tax positions, including assessing the Parent's correspondence with the relevant tax authorities and evaluating third-party advice obtained by the Parent. With respect to book to tax differences allocated to the Company, we assessed completeness by comparing allocated differences to those historically identified and accounted for by the Parent. We also assessed the appropriateness of such allocations attributed to assets, liabilities, and expenses historically held at the Parent corporate level.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

New York, New York

December 21, 2021

Combined Statements of Income
Diabetes Care Business
Years Ended September 30

Millions of dollars	2021	2020	2019
Revenues	$1,165	$ 1,086	$ 1,109
Cost of products sold(1)	365	323	323
Gross Profit	800	763	786
Operating expenses:			
Selling and administrative expense	240	215	222
Research and development expense	63	61	62
Other operating expense	5	—	—
Total Operating Expenses	308	276	284
Operating Income	492	487	502
Other income (expense), net	3	(1)	(2)
Income Before Income Taxes	495	486	500
Income tax provision	80	58	68
Net Income	$ 415	$ 428	$ 432

(1) Includes costs for inventory purchases from related parties of $41 million in 2021, $38 million in 2020 and $37 million in 2019.

See notes to combined financial statements.

Combined Statements of Comprehensive Income
Diabetes Care Business
Years Ended September 30

Millions of dollars	2021	2020	2019
Net Income	$415	$ 428	$ 432
Other Comprehensive (Loss) Income			
Foreign currency translation adjustments	(9)	16	(8)
Other Comprehensive (Loss) Income	(9)	16	(8)
Comprehensive Income	$406	$ 444	$ 424

See notes to combined financial statements.

Combined Balance Sheets
Diabetes Care Business
September 30

Millions of dollars	2021	2020
Assets		
Current Assets		
Trade receivables, net	$ 151	$ 120
Inventories	118	102
Prepaid expenses and other	23	13
Total Current Assets	292	235
Property, Plant and Equipment, Net	451	462
Goodwill and Other Intangible Assets	34	30
Other Assets	11	11
Total Assets	$ 788	$ 738
Liabilities and Parent's Equity		
Current Liabilities		
Accounts payable	$ 54	$ 50
Accrued expenses	82	68
Salaries, wages and related items	28	19
Total Current Liabilities	164	137
Deferred Income Taxes and Other Liabilities	30	29
Commitments and Contingencies (See Note 6)		
Parent's Equity		
Net parent investment	865	834
Accumulated other comprehensive loss	(271)	(262)
Total Parent's Equity	594	572
Total Liabilities and Parent's Equity	$ 788	$ 738

See notes to combined financial statements.

Combined Statements of Cash Flows
Diabetes Care Business
Years Ended September 30

Millions of dollars	2021	2020	2019
Operating Activities			
Net income	$ 415	$ 428	$ 432
Adjustments to net income to derive net cash provided by operating activities:			
Depreciation and amortization	38	38	36
Impairment of property, plant and equipment	14	—	—
Share-based compensation	13	13	12
Pension expense	9	9	8
Deferred income taxes	(2)	(2)	(6)
Change in operating assets and liabilities:			
Trade receivables, net	(32)	(2)	(10)
Inventories	(18)	4	9
Prepaid expenses and other	(12)	15	(9)
Accounts payable, income taxes and other liabilities	30	(4)	32
Other, net	1	—	1
Net Cash Provided by Operating Activities	456	499	505
Investing Activities			
Capital expenditures	(37)	(42)	(66)
Acquisition of intangible assets	(2)	—	(3)
Net Cash Used for Investing Activities	(39)	(42)	(69)
Financing Activities			
Net transfers to Parent	(417)	(457)	(436)
Net Cash Used for Financing Activities	(417)	(457)	(436)
Net Change in Cash and Equivalents	—	—	—
Opening Cash and Equivalents	—	—	—
Closing Cash and Equivalents	$ —	$ —	$ —

See notes to combined financial statements.

Notes to Combined Financial Statements
Diabetes Care Business
Millions of dollars, or as otherwise specified

Note 1 — Background and Basis of Presentation

Background

On May 6, 2021, Becton, Dickinson and Company ("BD" or "Parent") announced that its Board of Directors approved a plan to spin off its diabetes care business, comprising syringes, pen needles and other products related to the injection or infusion of insulin and other drugs used in the treatment of diabetes (collectively, the "Company" or "Diabetes Care Business"). Under the plan, BD would transfer certain assets and liabilities associated with the Diabetes Care Business to Embecta Corp., a newly formed wholly owned subsidiary of BD incorporated on July 8, 2021, and execute a spin-off of Embecta Corp. by way of a pro-rata distribution of common stock of Embecta Corp. to BD's shareholders at the close of business on the record date of the spin-off. Embecta Corp. had no assets, liabilities, operations, or commitments and contingencies during the periods presented in these combined financial statements and will not have any assets, liabilities, operations or commitments and contingencies in respect of the Diabetes Care Business until such business is transferred to Embecta Corp. These combined financial statements reflect the combined historical results of operations, financial position and cash flows of the Company.

The completion of the spin-off is subject to certain conditions, including effectiveness of the appropriate filings with the U.S. Securities and Exchange Commission ("SEC") and final approval by BD's Board of Directors. There are no assurances as to when the planned spin-off will be completed, if at all.

Basis of Presentation

The combined financial statements have been derived from BD's historical accounting records and were prepared on a standalone basis in accordance with U.S. generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the SEC. The assets, liabilities, revenue and expenses of the Company have been reflected in these combined financial statements on a historical cost basis, as included in the consolidated financial statements of BD, using the historical accounting policies applied by BD. Historically, separate financial statements have not been prepared for the Company and it has not operated as a standalone business from BD. The historical results of operations, financial position, and cash flows of the Company presented in these combined financial statements may not be indicative of what they would have been had the Company actually been an independent standalone public company, nor are they necessarily indicative of the Company's future results of operations, financial position, and cash flows.

The Company's business has historically functioned together with other BD businesses. Accordingly, the Company relied on certain of BD's Corporate and Medical Segment support functions to operate. BD's Medical Segment includes four organizational units, including the diabetes care business. The combined financial statements include all revenues and costs directly attributable to the Company and an allocation of expenses related to certain BD Corporate functions and other shared BD Medical Segment functions (Note 5). These expenses have been allocated to the Company on a pro rata basis of global and regional revenues, headcount, research and development spend and other drivers. The Company considers these allocations to be a reasonable reflection of the utilization of services or the benefit received. However, the allocations may not be indicative of the actual expense that would have been incurred had the Company operated as an independent, standalone public entity, nor are they indicative of the Company's future expenses.

Following the spin-off, certain functions that BD provided to the Company prior to the spin-off will either continue to be provided to the Company by BD under transition services agreements or will be performed using the Company's own resources or third-party service providers. Additionally, under manufacturing and supply agreements, the Company will manufacture certain products for BD or its applicable affiliate and BD will

manufacture certain materials for the Company or its applicable affiliate. The Company expects to incur certain one-time charges in its establishment as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company.

The combined financial statements include assets and liabilities specifically attributable to the Company. Cash has not been assigned to the Company for any of the periods presented because those cash balances are not directly attributable to the Company. BD uses a centralized approach to cash management and financing of its operations. These arrangements are not reflective of the manner in which the business would have financed its operations had it been a standalone public company separate from BD during the periods presented. Cash pooling, related interest, and intercompany arrangements are excluded from the asset and liability balances in the combined balance sheets. These amounts have instead been reported as *Net parent investment* as a component of Parent's Equity.

BD's long-term debt and related interest expense have not been attributed to the Company for any of the periods presented because BD's borrowings are neither directly attributable to the Company nor is the Company the legal obligor of such borrowings.

All intercompany transactions and balances within the Company have been eliminated. Transactions between the Company and BD have been included in these combined financial statements and are considered related party transactions (Note 5). Transactions with Parent are reflected in Parent's Equity as *Net transfers to Parent* and in the accompanying combined balance sheets within *Net parent investment* (Note 4).

The *Income tax provision* in the combined statements of income has been calculated as if the Company filed a separate tax return and was operating as a standalone company. Therefore, tax expense, cash tax payments, and items of current and deferred taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the distribution.

Management has concluded that the Company operates in one segment based upon the information used by the chief operating decision maker in evaluating the performance of the Company's business and allocating resources and capital.

Financial information is disclosed in millions unless otherwise noted. The Company's fiscal year ends on September 30.

Note 2 — Summary of Significant Accounting Policies

Principles of Combination

The combined financial statements of the Company include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to the Company. All significant intercompany accounts within the Company's combined businesses have been eliminated. All intercompany transactions between the Company and BD have been included in these combined financial statements as components of *Net parent investment*. Expenses related to corporate allocations from BD to the Company, prior to the distribution, are considered to be effectively settled in the combined financial statements at the time the transaction is recorded, with the offset recorded against *Net parent investment*.

Revenue Recognition

The Company recognizes revenue from product sales and considers performance obligations satisfied when the customer obtains control of the product, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. When arrangements include multiple performance obligations, the total transaction price of the contract is allocated to each performance obligation based on the estimated

relative standalone selling prices of the promised goods or services underlying each performance obligation. The point in time upon which shipment or delivery occurs is the most faithful depiction of when control of the goods transfers to the customer. Variable consideration such as rebates, sales discounts, and sales returns are estimated and treated as a reduction of revenue in the same period the related revenue is recognized. These estimates are based on contractual terms, historical practices and current trends, and are adjusted as new information becomes available. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities.

Additional disclosures regarding the Company's accounting for revenue recognition are provided in Note 7.

Trade Receivables

The Company grants credit to customers in the normal course of business and the resulting trade receivables are stated at their net realizable value. The allowance for doubtful accounts represents the Company's estimate of probable credit losses relating to trade receivables and is determined based on historical experience, current conditions, reasonable and supportable forecasts and other specific account data. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is uncollectible.

Inventories

Inventories are stated at the lower of approximate cost or net realizable value determined on the first-in, first-out basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is principally provided on the straight-line basis over estimated useful lives, which range from 20 to 45 years for buildings, four to 13 years for machinery and equipment and one to 20 years for leasehold improvements. Depreciation expense was $37 million in both 2021 and 2020, and $35 million in 2019.

Property, plant and equipment are periodically reviewed when impairment indicators are present to assess recoverability. Recoverability is determined by comparing the carrying values of the assets or asset groups to the undiscounted cash flows to be generated from the use and eventual disposition of such assets or asset groups. If the asset's or asset group's carrying value exceeds such undiscounted cash flows, the assets or asset groups are not recoverable and an impairment loss is recognized based on the amount by which the carrying value of the asset or asset group exceeds its calculated fair value.

Goodwill and Other Intangible Assets

The Company's unamortized intangible assets include goodwill which arise from certain acquisitions made by BD. Goodwill represents the excess of the consideration transferred over the fair value of net assets of businesses acquired. The Company currently reviews goodwill for impairment using quantitative models. Goodwill is reviewed at least annually for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. The Company has one reporting unit which is reviewed for impairment by comparing the fair value of the reporting unit, estimated using an income approach, with its carrying value. The annual impairment review performed on July 1, 2021, the most recent annual impairment testing date, indicated that the Company's one reporting unit's fair value exceeded its respective carrying value.

Amortized intangible assets primarily consist of patents and customer relationships. Patents are generally amortized over 20 years using the straight-line method. Customer relationship assets are generally amortized over periods ranging from 10 to 15 years, using the straight-line method. Other intangibles with finite useful lives are amortized over periods principally ranging from one to 40 years, using the straight-line method. Finite-lived intangible assets are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted cash flows. The carrying values of these finite-lived assets are compared to the undiscounted cash flows they are expected to generate and an impairment loss is recognized in operating results to the extent any finite-lived intangible asset's carrying value exceeds its calculated fair value.

Foreign Currency Translation

Generally, foreign subsidiaries' functional currency is the local currency of operations and the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation are included in *Accumulated other comprehensive loss*.

Shipping and Handling Costs

The Company considers its shipping and handling costs to be contract fulfillment costs and records them within *Selling and administrative expense*. Shipping and handling costs were $14 million in 2021, and $12 million in both 2020 and 2019.

Contingencies

The Company establishes accruals for future losses which are both probable and can be reasonably estimated (and in the case of environmental matters, without considering possible third-party recoveries). Additional disclosures regarding the Company's accounting for contingencies are provided in Note 6.

Benefit Plans

Certain of the Company's employees participate in defined benefit pension plans sponsored by BD which includes participants of other BD businesses (the "Shared Plans"). The Company's participation in the Shared Plans is accounted for as a multiemployer benefit plan. Accordingly, the Company does not record an asset or liability to recognize any portion of the funded status of the Shared Plans. The related pension expense is based on annual service cost of active Company participants and is reported within *Cost of products sold*, *Selling and administrative expense*, *Research and development expense*, and *Other income (expense), net*, as applicable. The pension expense attributable to Company participants in the Shared Plans was $9 million in both 2021 and 2020, and was $8 million in 2019.

BD has voluntary defined contribution plans for the benefit of substantially all Company employees meeting certain eligibility requirements. Employer contributions to such plans for Company employees were $3 million in 2021, and $2 million in both 2020 and 2019.

Income Taxes

The Company's operations are included in the tax returns of BD. In the future, as a standalone entity, the Company will file tax returns on its own behalf. Income taxes as presented in the combined financial statements attribute current and deferred income tax assets and liabilities of BD to the Company in a manner that is systematic, rational and consistent with the asset and liability method prescribed by the accounting guidance for income taxes. The income tax provision is prepared using the separate return method. The separate return method applies the accounting guidance for income taxes to the standalone financial statements as if the Company was a separate taxpayer and a standalone enterprise. The Company believes the assumptions supporting the allocation and presentation of income taxes on a separate return basis are reasonable.

The Company has reviewed its needs in the United States for possible repatriation of undistributed earnings of its foreign subsidiaries and continues to invest foreign subsidiaries' earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, the Company is permanently reinvested with respect to all of its historical foreign earnings as of September 30, 2021. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable because of the complexities associated with its hypothetical calculation.

BD conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. The Company's operations are included in the tax returns of BD. In evaluating the exposure associated with various tax filing positions, the Company records accruals for uncertain tax positions, based on the technical support for the positions, past audit experience with similar situations and the potential interest and penalties related to the matters. The effects of tax adjustments and settlements from taxing authorities are presented in the combined financial statements in the period to which they relate as if the Company was a separate filer.

The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in the tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset.

The Company does not maintain an income taxes payable account as such amounts are deemed to be settled with the tax paying entities in their respective jurisdictions, with the exception of income taxes payable associated with an entity to be contributed with the spin-off. The tax payable settlements are to be classified as changes in *Net parent investment*. However, the combined balance sheets reflect liabilities for unrecognized income tax benefits along with related interest and penalties.

Segment Data

The Company operates and reports its financial information as one segment. In making this determination, the Company (i) determines its Chief Operating Decision Maker ("CODM"), (ii) identifies and analyzes potential business components, (iii) identifies its operating segments and (iv) determines whether there are multiple operating segments requiring presentation as reportable segments. The Company's decision to report as one segment is based upon the following: (1) its internal organizational structure; (2) the manner in which its operations are managed; and (3) the criteria used by the Company's President, its CODM, to evaluate performance of the Company's business and allocate resources and capital.

Fair Value Measurements

A fair value hierarchy is applied to prioritize inputs used in measuring fair value. The three levels of inputs used to measure fair value are detailed below. Additional disclosures regarding the Company's fair value measurements are provided in Note 10.

Level 1—Inputs to the valuation methodology which represent unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2—Inputs to the valuation methodology which include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability.

Level 3—Inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses, including determining the allocation of shared costs and expenses from BD, depreciable and amortizable lives, sales returns and allowances, rebate accruals, inventory reserves and taxes on income as reflected in the combined financial statements. Actual results could differ from these estimates.

Note 3 — Accounting Changes

New Accounting Principles Adopted

On October 1, 2018, the Company adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") using the modified retrospective method. Under ASC 606, revenue is

recognized upon the transfer of control of goods or services to customers and reflects the amount of consideration to which a reporting entity expects to be entitled in exchange for those goods or services. The Company assessed the impact of this new standard on its combined financial statements based upon a review of contracts that were not completed as of October 1, 2018. This accounting standard adoption, which is further discussed in Note 7, did not materially impact any line items of the Company's combined statements of income and balance sheets.

On October 1, 2018, the Company adopted an accounting standard update which requires that the income tax effects of intercompany sales or transfers of assets, except those involving inventory, be recognized in the combined statements of income as income tax expense (or benefit) in the period that the sale or transfer occurs. The Company adopted this accounting standard update, which did not have a material impact on its combined financial statements, using the modified retrospective method.

On October 1, 2019, the Company adopted a new lease accounting standard which requires lessees to recognize lease assets and lease liabilities on the balance sheet, as well as expanded disclosures regarding leasing arrangements. The Company elected certain practical expedients permitted under the transition guidance, including a transition method which allows application of the new standard at its adoption date, rather than at the earliest comparative period presented in the financial statements. The Company also elected not to perform any reassessments relative to its expired and existing leases upon its adoption of the new requirements. The Company's adoption of this standard did not materially impact its combined financial statements. Additional disclosures regarding the Company's lease arrangements are provided in Note 12.

On October 1, 2020, the Company adopted a new accounting standard which requires earlier recognition of credit losses on loans and other financial instruments held by entities, including trade receivables. The new standard requires entities to measure all expected credit losses for financial assets held at each reporting date based on historical experience, current conditions and reasonable and supportable forecasts. This accounting standard adoption, which is further discussed in Note 7, did not materially impact any line items of the Company's combined financial statements.

Note 4 — Parent's Equity

Changes in certain components of Parent's Equity were as follows:

	Net Parent Investment	Accumulated Other Comprehensive Loss	Total Parent's Equity
(Millions of dollars)			
Balance, October 1, 2018	$ 847	$ (270)	$ 577
Net income	432	—	432
Foreign currency translation	—	(8)	(8)
Net transfers to Parent	(424)	—	(424)
Balance, September 30, 2019	855	(278)	577
Net income	428	—	428
Foreign currency translation	—	16	16
Net transfers to Parent	(449)	—	(449)
Balance, September 30, 2020	834	(262)	572
Net income	415	—	415
Foreign currency translation	—	(9)	(9)
Net transfers to Parent	(384)	—	(384)
Balance, September 30, 2021	$ 865	$ (271)	$ 594

Note 5 — Related Party Transactions and Parent Company Investment

Corporate and Medical Segment Allocations

The Company's combined financial statements include general corporate expenses of BD and shared segment expenses which were not historically allocated to the Company for certain support functions that are provided on a centralized basis within Parent and not recorded at the business unit level, such as expenses related to finance, human resources, information technology, facilities, and legal, among others (collectively, "General Corporate Expenses"). For purposes of these combined financial statements, the General Corporate Expenses have been allocated to the Company. The General Corporate Expenses are included in the combined statements of income in *Cost of products sold*, *Selling and administrative expense*, *Research and development expense*, and *Other income (expense), net* and, accordingly, as a component of *Net parent investment* on the combined balance sheets. These expenses have been allocated to the Company on a pro rata basis of global and regional revenues, headcount, research and development spend and other drivers. Management believes the assumptions underlying the combined financial statements, including the assumptions regarding allocating General Corporate Expenses from BD, are reasonable. Nevertheless, the combined financial statements may not include all of the actual expenses that would have been incurred and may not reflect the Company's combined results of operations, financial position and cash flows had it been a standalone public company during the periods presented. Actual costs that would have been incurred if the Company had been a standalone public company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

The allocations of General Corporate Expenses are reflected in the combined statements of income as follows:

(Millions of dollars)	2021	2020	2019
Cost of products sold	$ 13	$ 9	$ 6
Selling and administrative expense	98	80	80
Research and development expense	5	5	5
Other (income) expense, net	(1)	1	2
Total General Corporate Expenses	$115	$95	$93

Purchases from Parent

In the ordinary course of business, the Company purchases from BD certain materials for use in production of certain medical products, the terms of which are not at arm's length. During the years ended September 30, 2021, 2020 and 2019, these related party purchases were $41 million, $43 million and $42 million, respectively. Amounts payable to BD for such purchases as of September 30, 2021 and 2020 were immaterial.

Parent Company Investment

All significant intercompany transactions between the Company and BD have been included in the combined financial statements and are considered to be effectively settled for cash at the time the transaction is recorded. The total net effect of the settlement of these intercompany transactions is reflected in the combined statements of cash flows as a financing activity and in the combined balance sheets as *Net parent investment*.

The following table summarizes the components of the net transfers to Parent in *Net parent investment* for the years ended September 30, 2021, 2020 and 2019:

(Millions of dollars)	2021	2020	2019
Cash pooling and general financing activities (a)	$ 600	$592	$561
Corporate and segment allocations, excluding non-cash share-based compensation	(110)	(90)	(88)
Taxes deemed settled with Parent	(73)	(45)	(37)
Net transfers to Parent as reflected in the combined statements of cash flows	417	457	436
Share-based compensation expense	(13)	(13)	(12)
Pension expense	(9)	(9)	(8)
Other transfers (from) to Parent, net	(11)	14	8
Net transfers to Parent (Note 4)	$ 384	$449	$424

(a) The nature of activities includes financing activities for capital transfers, cash sweeps, and other treasury services. As part of this activity, cash balances are swept to BD on a daily basis under the BD Treasury function and the Company receives capital from BD for its cash needs.

Note 6 — Commitments and Contingencies

Commitments

The Company has certain future purchase commitments entered in the normal course of business to meet capital expenditure requirements. As of September 30, 2021, these commitments aggregated to approximately $1 million and will be expended in fiscal year 2022.

Contingencies

The Company regularly monitors and evaluates the status of product liability and other legal matters, and may, from time-to-time, engage in settlement and mediation discussions taking into consideration developments in the matters and the risks and uncertainties surrounding litigation. These discussions could result in settlements of one or more of these claims at any time. The Company has not identified legal matters where it believes an unfavorable outcome is probable and, therefore, no reserve is established. Although management currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. It is possible that an unfavorable outcome resulting from legal matters or other contingencies could have a material impact on the liquidity, results of operations or financial condition of the Company.

Significant judgment is required in both the determination of probability of loss and the determination as to whether the amount can be reasonably estimated. Accruals are based only on information available at the time of the assessment, due to the uncertain nature of such matters. As additional information becomes available, management reassesses potential liabilities related to pending claims and litigation and may revise its previous estimates, which could materially affect the Company's results of operations in a given period. The Company was not a party to any material legal proceedings at September 30, 2021, nor is it a party to any legal proceedings as of the date of issuance of these combined financial statements.

Note 7 — Revenues

As previously discussed in Note 3, the Company adopted ASC 606 in fiscal year 2019 using the modified retrospective method. The Company sells syringes, pen needles and other products used in the treatment of

diabetes which are distributed through independent distribution channels and directly through sales representatives. End-users of the Company's products include healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry, and the general public.

Timing of Revenue Recognition

The Company's revenues are recognized when the customer obtains control of the product sold, which is primarily upon shipment or delivery, depending on the delivery terms specified in the sales agreement.

Control of certain private label goods transfers to the customer over time as the goods do not have an alternative use and the Company has an enforceable right to payment throughout the production process. The Company recognizes revenue over time using an output measure based on units produced on the basis that this measure best reflects the pattern of transfer of control to the customer. Changes in the total estimated output used in measuring the Company's progress toward satisfying its performance obligation may result in adjustments to cumulative revenue recognized at the time the change in estimate occurs.

The Company's obligations pursuant to some private label product agreements may represent partially unsatisfied performance obligations as of the balance sheet date. Such private label product agreements do not have original expected durations of more than one year from contract inception.

Measurement of Revenues

The Company acts as the principal in substantially all of its customer arrangements and as such, generally records revenues on a gross basis. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities. The Company considers its shipping and handling costs to be costs of contract fulfillment and has made the accounting policy election to record these costs within *Selling and administrative expense*.

Payment terms extended to the Company's customers are based upon commercially reasonable terms for the markets in which the Company's products are sold. Because the Company generally expects to receive payment within one year or less from when control of a product is transferred to the customer, the Company does not generally adjust its revenues for the effects of a financing component. The Company's allowance for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of its trade receivables. Such estimated credit losses are determined based on historical loss experiences, customer-specific credit risk, and reasonable and supportable forward-looking information, such as country or regional risks that are not captured in the historical loss information. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is uncollectible. The allowance for doubtful accounts for trade receivables is not material to the Company's combined financial results.

The Company's gross revenues are subject to a variety of deductions which are recorded in the same period that the underlying revenues are recognized. Such variable consideration includes rebates, sales discounts, and sales returns. Because these deductions represent estimates of the related obligations, judgment is required when determining the impact of these revenue deductions on gross revenues for a reporting period. Rebates provided by the Company are based upon prices determined under the Company's agreements primarily with its end-user customers. Additional factors considered in the estimate of the Company's rebate liability include the quantification of inventory that is either in stock at or in transit to the Company's distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates. The Company's rebate liability at September 30, 2021 and 2020 was $72 million and $62 million, respectively. Rebates recorded as a reduction of gross revenues during the years ended September 30, 2021, 2020 and 2019, were $266 million, $267 million, and $224 million, respectively. Sales discounts and sales returns were not material.

Disaggregation of Revenues

Revenues by geographic region are as follows:

(Millions of dollars)	2021	2020	2019
United States	$ 609	$ 563	$ 570
International(a)	556	523	539
Total Revenues	$1,165	$1,086	$1,109

(a) During the years ended September 30, 2021, 2020 and 2019, no individual country outside of the United States generated revenue that represented more than 10% of total revenues.

Costs to Obtain Revenue Contracts

Due to the nature of the majority of the Company's products, the Company typically does not incur costs to fulfill a contract in advance of providing the customer with goods or services. The Company's costs to obtain contracts are comprised of sales commissions which are paid to the Company's employees or third-party agents. Sales commissions incurred by the Company relate to revenue that is recognized over a period that is less than one year and, as such, the Company has elected a practical expedient provided under ASC 606 to record its expense associated with sales commissions as it is incurred. Sales commissions are recorded within *Selling and administrative expense* in the combined statements of income.

Contract Assets and Liabilities

The Company does not have contract liabilities. Contract assets consist of the Company's right to consideration that is conditional upon its future performance pursuant to private label agreements and are presented within *Prepaid expenses and other* on the combined balance sheets.

The Company's contract asset balances as of September 30, 2021 and 2020 were $1 million and $3 million, respectively. The reduction in the contract assets balance from September 30, 2020 to September 30, 2021 relates to a change in contract terms with a customer, resulting in the write-off of various contract assets.

Note 8 — Share-Based Compensation

The Company has no share-based compensation plans. Certain employees of the Company have historically participated in the BD 2004 Employee and Director Equity-Based Compensation Plan (the "2004 Plan"), which provides long-term incentive compensation to employees and directors consisting of: stock appreciation rights ("SARs"), performance-based restricted stock units, time-vested restricted stock units and other stock awards. All significant awards granted under the plan will settle in shares of BD's Class A Common Stock and are approved by BD's Compensation Committee of the Board of Directors. As such, all related equity account balances, other than allocations of compensation expense, remained at the BD level. The following disclosure represents share-based compensation attributable to the Company based on the awards and terms previously granted to Company employees under BD share-based payment plans, and is representative of only those employees who are dedicated to the Company unless otherwise noted. Stock compensation allocated to the Company for BD Corporate and Medical Segment employees who are not dedicated to the Company are included as a component of corporate allocations. The allocation of stock compensation for BD Corporate and Medical Segment employees was $5 million in 2021, 2020 and 2019.

Share-Based Compensation Expense

The fair value of share-based payments is recognized as compensation expense. BD estimates forfeitures based on experience at the time of grant and adjusts expense to reflect actual forfeitures.

The amounts and location of compensation cost relating to both the Company's employees and an allocation for BD Corporate employees included in the combined statements of income is as follows:

(Millions of dollars)	2021	2020	2019
Cost of products sold	$ 3	$ 3	$ 2
Selling and administrative expense	8	8	8
Research and development expense	2	2	2
Total Share-Based Compensation Expense	$ 13	$ 13	$ 12
Tax benefit associated with share-based compensation costs recognized	$ 3	$ 3	$ 3

Stock Appreciation Rights

SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant. SARs generally vest over a period of four years and have a term of ten years. The fair value of awards was estimated on the date of grant using a lattice-based binomial option valuation model and were based upon the following weighted-average assumptions:

	2021	2020	2019
Risk-free interest rate	0.76%	1.69%	3.05%
Expected volatility	23.00%	19.00%	18.00%
Expected dividend yield	1.39%	1.24%	1.27%
Expected life	7.4 years	7.4 years	7.2 years
Fair value derived	$ 47.47	$ 48.82	$ 51.86

Expected volatility is based upon historical volatility for BD's common stock and other factors. The expected life of SARs granted is derived from the output of the lattice-based model, using assumed exercise rates based on historical exercise and termination patterns, and represents the period of time that SARs granted are expected to be outstanding. The risk-free interest rate used is based upon the published U.S. Treasury yield curve in effect at the time of grant for instruments with a similar life. The dividend yield is based upon the most recently declared BD quarterly dividend as of the grant date.

The following table summarizes activity relating to BD's SARs held by the Company's employees as of September 30, 2021 and changes during the year then ended is as follows:

	SARs (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance at October 1, 2020	38	$235.74		
Granted	34	239.02		
Exercised	(1)	170.69		
Balance at September 30, 2021	71	$237.87	8.14	$ 1
Vested and expected to vest at September 30, 2021	67	$237.57	8.09	$ 1
Exercisable at September 30, 2021	19	$226.29	6.63	$ 0

A summary of BD's SARs exercised by the Company's employees during 2021, 2020 and 2019 is as follows:

(Millions of dollars)	2021	2020	2019
Total intrinsic value of SARs exercised	$ 0	$ 1	$ 3
Total fair value of SARs vested	$ 0	$ 0	$ 1

Performance-Based and Time-Vested Restricted Stock Units

Performance-based restricted stock units cliff vest three years after the date of grant. These units are tied to BD's performance against pre-established targets over a performance period of three years. The performance measures for fiscal years 2021 and 2020 were average annual currency-neutral revenue growth and average annual return on invested capital, with the combined factor subject to adjustment based on BD's relative total shareholder return (measures BD's stock performance during the performance period against that of peer companies). For fiscal year 2019, the performance measures were relative total shareholder return and average annual return on invested capital. Under BD's long-term incentive program, the actual payout under these awards may vary from zero to 200% of an employee's target payout, based on BD's actual performance over the performance period of three years. The fair value is based on the market price of BD's stock on the date of grant. Compensation cost initially recognized assumes that the target payout level will be achieved and is adjusted for subsequent changes in the expected outcome of performance-related conditions. For units for which the performance conditions are modified after the date of grant, any incremental increase in the fair value of the modified units, over the original units, is recorded as compensation expense on the date of the modification for vested units, or over the remaining performance period for units not yet vested.

Time-vested restricted stock unit awards vest on a graded basis over a period of three years. The related share-based compensation expense is recorded over the requisite service period, which is the vesting period. The fair value of all time-vested restricted stock units is based on the market value of BD's stock on the date of grant.

The following table summarizes activity related to BD restricted stock units held by the Company's employees as of September 30, 2021 and changes during the year then ended:

	Performance–Based			Time–Vested	
	Stock Units (in thousands)		Weighted Average Grant Date Fair Value	Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Balance at October 1, 2020	14		$ 244.84	41	$ 240.61
Granted	13		229.12	53	232.30
Distributed	(1)		253.51	(19)	241.47
Forfeited or canceled	(3)		253.51	–	–
Balance at September 30, 2021	23	(a)	$ 234.70	75	$ 234.51
Expected to vest at September 30, 2021	8	(b)	$ 232.93	70	$ 234.37

(a) Based on 200% of target payout for performance-based restricted units and 100% of the performance-based time-vested units.
(b) Net of expected forfeited units and units in excess of the expected performance payout of 1 thousand and 10 thousand shares, respectively.

The weighted average grant date fair value of restricted stock units granted and the total fair value of stock units vested for the Company's employees during fiscal years 2021, 2020 and 2019 are as follows:

	Performance-Based			Time-Vested		
	2021	2020	2019	2021	2020	2019
Weighted average grant date fair value of units granted	$ 229.12	$ 245.01	$ 237.55	$ 232.30	$ 256.56	$ 236.04
Total fair value of units vested (millions of dollars)	$ 0.4	$ 0.2	$ 0.5	$ 4.7	$ 3.9	$ 3.8

At September 30, 2021, the weighted average remaining vesting term of performance-based and time-vested restricted stock units for the Company's employees is 1.58 and 1.99 years, respectively.

Unrecognized Compensation Expense and Other Stock Plans

The amount of unrecognized compensation expense for all non-vested share-based awards for the Company's employees as of September 30, 2021 is approximately $14 million, which is expected to be recognized over a weighted-average remaining life of approximately 2 years. BD has a policy of satisfying share-based payments through either open market purchases or shares held in treasury. As of September 30, 2021, BD has sufficient shares held in treasury to satisfy these payments.

Note 9 — Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets at September 30 consisted of:

	As of September 30,	
(Millions of dollars)	2021	2020
Amortized intangible assets		
Patents — gross	$ 21	$ 16
Less: accumulated amortization	(7)	(6)
Patents — net	$ 14	$ 10
Customer Relationships and Other — gross	$ 5	$ 5
Less: accumulated amortization	(1)	(1)
Customer Relationships and Other — net	$ 4	$ 4
Total amortized intangible assets	$ 18	$ 14
Goodwill	16	16
Total Goodwill and Other Intangible Assets	$ 34	$ 30

Intangible asset amortization expense was $1 million in each of the fiscal years ending September 30, 2021, 2020 and 2019. The estimated aggregate amortization expense for each of the fiscal years ending September 30, 2022 to 2026 is $1 million.

Note 10 — Financial Instruments and Fair Value Measurements

Foreign Currency and Other Risks

The Company has foreign currency exposures throughout the various countries in which it operates. Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated by BD primarily through the use of forward contracts. In order to mitigate foreign currency exposure

relating to its investments in certain foreign subsidiaries, BD hedges the currency risk associated with those investments with instruments, such as foreign currency-denominated debt, cross-currency swaps and currency exchange contracts, which are designated as net investment hedges. The Company does not enter into any derivative transactions, contracts, options, or swaps. Accordingly, derivative assets and liabilities held by BD at the corporate level were not attributable to the Company for any of the periods presented.

Net gains or losses relating to the net investment hedges, which are attributable to changes in foreign currencies to U.S. dollar spot exchange rates, are recorded as a component of foreign currency translation adjustments in *Other comprehensive (loss) income*. Upon the termination of a net investment hedge, any net gain or loss included in *Accumulated other comprehensive loss* relative to the investment hedge remains until the foreign subsidiary investment is disposed of or is substantially liquidated.

Hedges of the transactional foreign exchange exposures resulting primarily from intercompany payables and receivables are undesignated hedges. As such, the gains or losses on these instruments are recognized immediately in income. These gains and losses are largely offset by gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments. Due to the Company's participation in BD's hedging program, the Company records an allocated portion of the impact of these activities. The net amounts recognized in *Other income (expense), net* during the years ending September 30, 2021, 2020 and 2019 were immaterial to the Company's combined financial results.

Fair Value of Financial Instruments

The FASB's accounting guidance defines fair value 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 (exit price).

The carrying value of other receivables and account payables contained in the combined balance sheets approximates fair value due to the relatively short-term nature of these accounts.

Nonrecurring Fair Value Measurements

Non-financial assets, including property, plant and equipment as well as intangible assets, are measured at fair value when there are indicators of impairment and these assets are recorded at fair value only when an impairment is recognized. These measurements of fair value are generally based upon Level 3 inputs, including values estimated using the income approach.

In fiscal year 2021, the Company recorded impairment charges totaling $14 million related to certain construction in progress assets that related to discontinued projects. The impairment charges were recorded to adjust the carrying amount of the assets to the assets' fair values, which were estimated through a discounted cash flow model that utilized Level 3 inputs. The impairment charges are recognized within *Cost of products sold* in the combined statement of income. Impairment losses on such non-financial assets during the years ended September 30, 2020 and 2019 were immaterial to the Company's combined financial results.

Concentration of Credit Risk

On an ongoing basis, the Company's operations form part of BD's monitoring of concentrations of credit risk associated with financial institutions with which BD conducts business. Therefore, the Company is exposed to credit loss in the event of nonperformance by such financial institutions. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of BD. BD also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. The Company does not normally require collateral from its customers. The following table

sets forth the percentages of total revenues or gross trade receivables for customers that represent 10% or more of the respective amounts for the periods shown:

	Revenues Year Ended September 30,			Gross Trade Receivables As of September 30,	
	2021	2020	2019	2021	2020
Customer A	16%	17%	15%	22%	13%
Customer B	15%	16%	16%	*	*

* Gross trade receivables are less than ten percent of the respective totals.

Note 11 — Income Taxes

Provision for Income Taxes

The provision (benefit) for income taxes for the years ended September 30 consisted of:

(Millions of dollars)	2021	2020	2019
Current:			
Federal	$ 19	$ 1	$ 22
State and local	4	4	5
Foreign	60	55	47
	$ 83	$ 60	$ 74
Deferred:			
Domestic	$ (2)	$ (3)	$ (3)
Foreign	(1)	1	(3)
	(3)	(2)	(6)
Income tax provision	$ 80	$ 58	$ 68

The Company's domestic and foreign operations are included in BD's domestic consolidated and foreign tax returns, and payments to all tax authorities are made by BD on the Company's behalf. The Company files its own foreign tax return and makes its own foreign tax payments in Ireland. The Company's current tax liabilities computed under the separate return method are considered to be effectively settled in the combined financial statements at the time the transaction is recorded, with the offset recorded against *Net parent investment*.

The components of *Income Before Income Taxes* for the years ended September 30 consisted of:

(Millions of dollars)	2021	2020	2019
Domestic	$ 88	$ 74	$ 99
Foreign	407	412	401
Income Before Income Taxes	$ 495	$ 486	$ 500

U.S. tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the "Act"), was enacted on December 22, 2017. The Act reduced the U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred, and created new taxes on certain foreign-sourced earnings. The Act subjects a U.S. shareholder to tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company has elected to account for its GILTI tax due as a period expense in the year the tax is incurred.

During fiscal year 2019, the Company finalized its accounting for the income tax effects of the Act. During fiscal year 2019, the Company also changed its assertion with respect to historical unremitted foreign

earnings, which resulted in a total tax benefit of $4 million which is included as a component of *Income tax provision* in fiscal 2019. The Company asserts indefinite reinvestment for all historical unremitted foreign earnings as of September 30, 2021, 2020 and 2019.

Unrecognized Tax Benefits

The table below summarizes the gross amounts of unrecognized tax benefits without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such unrecognized tax benefits were settled. The Company believes it is reasonably possible that the amount of unrecognized tax benefits will change due to one or more of the following events in the next twelve months: expiring statutes, audit activity, tax payments, other activity, or final decisions in matters that are the subject of controversy in various taxing jurisdictions in which the Company operates.

(Millions of dollars)	2021	2020	2019
Balance at October 1	$ 14	$ 28	$ 27
Increase due to current year tax positions	2	1	1
Decreases due to prior year tax positions	—	(15)	—
Decrease due to settlements with tax authorities	0	—	—
Decrease due to lapse of statute of limitations	0	—	—
Balance at September 30	$ 16	$ 14	$ 28
Unrecognized tax benefits that would affect the effective tax rate if recognized	$ 20	$ 17	$ 32

The following were included for the years ended September 30 as a component of *Income tax provision* on the combined statements of income.

(Millions of dollars)	2021	2020	2019
Interest and penalties associated with unrecognized tax benefits	$ 4	$ 3	$ 4

Deferred Income Taxes

Deferred income taxes at September 30 consisted of:

	2021		2020	
(Millions of dollars)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Compensation and benefits	$ 2	$ –	$ 1	$ –
Accruals and reserves	5	–	4	–
Property, plant and equipment	–	8	–	10
Other	2	2	3	2
Net Deferred Income Taxes (a)	$ 9	$ 10	$ 8	$ 12

(a) Net deferred tax assets are included in *Other Assets* and net deferred tax liabilities are included in *Deferred Income Taxes and Other Liabilities* on the combined balance sheets.

Deferred tax assets and liabilities are netted on the combined balance sheets by separate tax jurisdictions. The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. As of September 30, 2021 and 2020, all deferred tax assets are more likely than not to be realized. Deferred taxes have not been provided on undistributed earnings of foreign subsidiaries that are

indefinitely reinvested as of September 30, 2021 and 2020. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable because of the complexities associated with its hypothetical calculation.

Tax Rate Reconciliation

A reconciliation of the federal statutory tax rate to the Company's effective income tax rate was as follows:

	2021	2020	2019
Federal statutory tax rate	21.0%	21.0%	21.0%
U.S. tax legislation (see discussion above)	–	–	(0.7)
State and local income taxes, net of federal tax benefit	0.7	0.6	0.8
Foreign income tax at rates other than 21%	(6.1)	(6.7)	(7.6)
Effect of foreign operations	0.6	0.5	0.2
Effect of research credits	(0.4)	(0.4)	(0.4)
Effect of uncertain tax positions	0.5	(3.0)	0.5
Other, net	(0.1)	(0.1)	(0.2)
Effective income tax rate	16.2%	11.9%	13.6%

The fluctuation in the effective income tax rate for each year is primarily driven by the geographical mix of income attributable to foreign countries that have income tax rates that vary from the U.S. tax rate and discrete items impacting income tax expense that may not recur. The effective income tax rate in 2020 was favorably impacted by unrecognized tax benefits while the effective income tax rate in 2019 was favorably impacted by changes in U.S. tax legislation.

Note 12 — Leases

The Company leases real estate, vehicles, and other equipment which are used in the Company's manufacturing, administrative, and research and development activities.

The Company identifies a contract that contains a lease as one which conveys a right, either explicitly or implicitly, to control the use of an identified asset in exchange for consideration. The Company's lease arrangements are generally classified as operating leases. These arrangements have remaining terms ranging from less than one year to approximately 5 years and the weighted-average remaining lease term of the Company's leases is approximately 4 years. An option to renew or terminate the current term of a lease arrangement is included in the lease term if the Company is reasonably certain to exercise that option.

The Company does not recognize a right-of-use asset and lease liability for short-term leases, which have terms of 12 months or less, on its combined balance sheets. For the longer-term lease arrangements that are recognized on the Company's combined balance sheets, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to its combined financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company uses BD's incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due under an arrangement. The weighted-average incremental borrowing rate that has been applied to measure the Company's lease liabilities is 2.20%.

The Company's lease cost recorded in its combined statements of income for both years ended September 30, 2021 and 2020 was $2 million under the new lease accounting standard. Rental expense for all operating leases amounted to $2 million in 2019 under the previous lease accounting standard. Cash payments arising from the Company's lease arrangements are reflected on its combined statements of cash flows as outflows used for operating activities. The right-of-use assets and lease liabilities recognized on the Company's combined balance sheets as of September 30, 2021 and 2020 were as follows:

(Millions of dollars)	2021	2020
Right-of-use assets recorded in *Other Assets*	$ 4	$ 5
Current lease liabilities recorded in *Accrued expenses*	$ 1	$ 1
Non-current lease liabilities recorded in *Deferred Income Taxes and Other Liabilities*	$ 3	$ 4

The Company's payments due under its operating leases at September 30, 2021 are $1 million for each of the fiscal years ending September 30, 2022 to 2026, and no payments are due under operating leases thereafter. Imputed interest allocable to these payments is immaterial.

Note 13 — Supplemental Financial Information

Trade Receivables, Net

The amounts recognized in fiscal years 2021, 2020 and 2019 relating to allowances for doubtful accounts and cash discounts, which are netted against trade receivables, are provided in the following table:

(Millions of dollars)	Allowance for Doubtful Accounts		Allowance for Cash Discounts	Total
Balance at October 1, 2018	$ (4)		$ (2)	$ (6)
Additions charged to costs and expenses	(1)		(15)	(16)
Deductions and other	1	(a)	14	15
Balance at September 30, 2019	$ (4)		$ (3)	$ (7)
Additions charged to costs and expenses	(1)		(15)	(16)
Deductions and other	1	(a)	16	17
Balance at September 30, 2020	$ (4)		$ (2)	$ (6)
Additions charged to costs and expenses	—		(16)	(16)
Deductions and other	1	(a)	15	16
Balance at September 30, 2021	$ (3)		$ (3)	$ (6)

(a) Accounts written off.

Inventories

Inventories at September 30, 2021 and 2020 consisted of:

(Millions of dollars)	2021	2020
Materials	$ 13	$ 14
Work in process	21	19
Finished products	84	69
Total Inventories	$118	$ 102

Property, Plant and Equipment, Net

Property, Plant and Equipment, Net at September 30, 2021 and 2020 consisted of:

(Millions of dollars)	2021	2020
Land	$ 4	$ 4
Buildings	120	119
Machinery, equipment and fixtures	571	573
Leasehold improvements	6	6
Construction in progress	191	189
	892	891
Less: accumulated depreciation	(441)	(429)
Total Property, Plant and Equipment, Net	$ 451	$ 462

Long-Lived Assets

Long-lived assets, which include property, plant and equipment, net, goodwill and other intangible assets, and other assets by geographic area where located at September 30, 2021 and 2020 is as follows:

(Millions of dollars)	2021	2020
Ireland	$286	$ 288
United States	145	152
China	53	50
Other	12	13
Total Long-Lived Assets	$496	$ 503

Note 14 — Subsequent Event

Management has evaluated subsequent events through December 21, 2021, the date the combined financial statements were available to be issued and determined that there were no items to disclose.

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