

OVERVIEW OF BD'S COMPLIANCE PROGRAM FOR CALIFORNIA RESIDENTS

I. INTRODUCTION

In accordance with California law, which requires that we post our compliance program ("Comprehensive Compliance Program") on our website, the following is a description of that program:

BD is committed to establishing and maintaining an effective Compliance Program in accordance with the "Compliance Program Guidance" published by the Office of Inspector General, U.S. Department of Health and Human Services (the "HHS-OIG Guidance"). Our Comprehensive Compliance Program is a demonstration of our commitment to the highest standards of corporate conduct.

The purpose of our Comprehensive Compliance Program is to prevent and detect violations of law. As the HHS-OIG Guidance recognizes, however, the implementation of such a program cannot guarantee that improper employee conduct will be eliminated. Nonetheless, it is BD's expectation under the Comprehensive Compliance Program that employees will comply with our Business Conduct and Compliance Guide and the policies established in support thereof. In the event that BD becomes aware of violations of law, we will investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to help prevent future violations.

Described below are some fundamental elements of our Comprehensive Compliance Program. In accordance with the voluntary standards established by the HHS-OIG Guidance and as explicitly recognized in the Guidance, we have tailored our Comprehensive Compliance Program to fit the unique environment and size of our company.

This document is a *description* of our Comprehensive Compliance Program, which involves multiple policies, procedures, and activities. We regularly review and revise our Comprehensive Compliance Program, if necessary, to meet our evolving compliance needs.

II. Overview of Comprehensive Compliance Program

1. Written standards.

- Our Comprehensive Compliance Program includes BD's Business Conduct and Compliance Guide, which is our statement of ethical and compliance principles that guide our daily operations. The Guide establishes that we expect BD associates, directors, and officers to act in accordance with law and applicable company policy. The Guide articulates our fundamental principles, values and framework for action within our organization. The Guide may be accessed at: http://www.bd.com/investors/pdfs/corporate_governance/business_conduct_compliance_guide.pdf

- In accordance with California Health and Safety Code §§119400-119402, we have established an annual spending limit for certain promotional activities directed toward medical or health professionals in California. The limit is \$5,000 for such spending per each such medical or health professional.
- This annual spending limit represents a maximum, not an average. In fact, the amount spent on marketing directed towards most medical or health professionals in California would not approach this amount, particularly because this limit includes amounts that we may spend on travel which is appropriate in certain limited circumstances (such as for product training or education, plant tours, and demonstrations of non-portable equipment). Indeed, to put this limit in context, we estimate that the average amount we spend marketing to any given medical or health professional in California is less than \$300 per year, and that we actually spend a nominal amount on most of the medical or health professionals in California.

2. **Leadership and Structure.**

- **Compliance Officer.** As part of our Comprehensive Compliance Program, we have designated a Chief Compliance Officer, who is responsible for administering the overall compliance program by providing coordination of the many compliance activities that take place throughout the company. We are committed to ensuring that our Comprehensive Compliance Program functions have the ability to effectuate change within the organization as necessary and to exercise independent judgment.
- **Compliance Committee.** Another part of our Comprehensive Compliance Program is the establishment of a Compliance Committee composed of senior executives to advise the Chief Compliance Officer and assist in the coordination of the Comprehensive Compliance Program.

3. **Education and Training.** Another element of our Comprehensive Compliance Program is the education and training of BD employees on their legal and ethical obligations under applicable laws and regulations including where appropriate federal health care program requirements. Under the Comprehensive Compliance Program, BD is committed to taking all necessary steps to effectively communicate our standards and procedures to all affected personnel. We regularly review and update our training programs if necessary.

4. **Internal Lines of Communication.** As part of the Comprehensive Compliance Program, BD is committed to fostering dialogue between BD employees and management. Our goal is that all employees, when seeking answers to questions or reporting potential instances of potential violations of law or policy, should know who to turn to for a meaningful response and should be able to do so without fear of retribution. To that end, we maintain an open-door

policy, as well as confidentiality and non-retaliation policies. In order to further encourage open lines of communication regarding potential violations, we have established procedures to allow individuals who want to report anonymously to do so as outlined in the BD Business Conduct and Compliance Guide.

- 5. Auditing and Monitoring.** BD's Comprehensive Compliance Program includes efforts to monitor, audit, and evaluate compliance, including efforts to review the activities of sales force personnel. We note that in accordance with the HHS-OIG Guidance, the nature of our reviews as well as the extent and frequency of our compliance monitoring and auditing varies according to a variety of factors, including new regulatory requirements, changes in business practices, and other considerations. We will continually seek to identify new and emerging risk areas and take steps if necessary to address these risks.
- 6. Responding to Violations.** BD's Comprehensive Compliance Program includes procedures to screen potential employees who are excluded from participation in federal health care programs. As set forth in the BD Business Conduct and Compliance Guide, disciplinary action will be taken as appropriate against any employee who violates the law or company policy. Although each situation is considered on a case-by-case basis, under our Comprehensive Compliance Program we will consistently strive to impose appropriate disciplinary action to address inappropriate conduct and deter future violations.
- 7. Corrective Action Procedures.** A Comprehensive Compliance Program increases the likelihood of preventing, or at least identifying unlawful and unethical behavior. However, HHS-OIG Guidance recognizes that even an effective compliance program may not prevent all violations. As such, our Comprehensive Compliance Program provides that the company will respond promptly to potential violations of law, take appropriate disciplinary action, assess whether the violation is in part due to gaps in our policies, practices, or internal controls, and take action as appropriate to prevent future violations.

Copies of this overview and written declaration may be obtained by calling 1-800- 821-5452.

July 1, 2005