BECTON, DICKINSON AND COMPANY

MEETING DATE	Tue, 23 Jan 2018 13:00 pm	TYPE	AGM	ISSUE DATE	Tue, 19 Dec 2017
MEETING LOCATION	Four Seasons Hotel New York, 57 East 57th Street, New York				
CURRENT INDICES	S&P500				
SECTOR	Surgical and medical instruments and apparatus				

	PROPOSALS	ADVICE
1.01	**Re-elect Catherine M. Burzik** Independent Non-Executive Director.	**For**
1.02	**Re-elect R. Andrew Eckert** Independent Non-Executive Director.	**For**
1.03	**Re-elect Vincent A. Forlenza** Chairman and CEO. Combined roles at the head of the Company. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.	**Oppose**
1.04	**Re-elect Claire M. Fraser** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1.05	**Re-elect Christopher Jones** Independent Non-Executive Director.	**For**
1.06	**Re-elect Marshall O. Larsen** Lead Independent Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1.07	**Re-elect Gary A. Mecklenburg** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1.08	**Elect David F. Melcher** Independent Non-Executive Director.	**For**
1.09	**Re-elect Willard J. Overlock, Jr.** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1.10	**Re-elect Claire Pomeroy** Independent Non-Executive Director.	**For**
1.11	**Re-elect Rebecca W. Rimel** Independent Non-Executive Director.	**For**
1.12	**Elect Timothy M. Ring** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	**Oppose**
1.13	**Re-elect Bertram L. Scott** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**

2 **Appoint the Auditors** **Oppose**

EY proposed. Non-audit fees represented 9.21% of audit fees during the year under review and 9.37% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.

3 **Advisory Vote on Executive Compensation** **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CDD.

The CEO's fiscal 2017 PIP pay-out is not considered excessive at 156% of salary. However, maximum long-term award opportunities are considered excessive at over 200% of salary. Executive compensation is not aligned with peer group averages. With respect to performance units, the TSR vesting scale is insufficiently broad to ensure superior awards reflect superior performance as executives may receive 100% payout for median performance. Furthermore, the performance period is three years, which is not considered sufficiently long-term. Regarding the SARs, the amount of reward derived from SARs is determined by share price growth, with no performance conditions attached. Thus an increase in share price over the lifespan of a SAR (and falls are unusual) can reward executives even in circumstances of poor relative performance.

Cash severance payments are considered excessive. Contracts do not define 'good reason' and'cause' appropriately. The Company does not have a robust clawback policy in place.

Based on this rating, Triodos opposes this resolution.

4 **Shareholder Resolution: Proxy Access** **For**

Proposed by: Kenneth Steiner

The Proponent requests that the Board amend its proxy access bylaw provisions and any associated documents to the effect that no limitation shall be placed on the number of stockholders that can aggregate their shares to achieve the 3% of common stock required to nominate directors under the Company's proxy access provisions.

Proponent's Supporting Argument: The Proponent argues that proxy access for shareholders enables shareholders to put competing director candidates on the company ballot to see if they can get more votes than some of management's director candidates. However, even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the current 3% criteria for a continuous 3-years at most companies according to the Council of Institutional Investors. This proposal addresses the situation that the company now has with proxy access potentially for only the largest shareholders who are the least unlikely shareholders to make use of it.

Board's Opposing Argument: The Board is against this proposal as it continues to believe that the proxy access framework adopted is the most appropriate framework for the Company and its shareholders. The Board states that the Company has adopted a proxy access structure that provides shareholders with meaningful proxy access rights, balances the interests of all shareholders, and is consistent with the prevailing practices of other large U.S. public companies with proxy access. Specifically, a 20-shareholder aggregation limit has been widely adopted by companies that have proxy access. The Board also believes that allowing an unlimited number of shareholders to form a group for purposes of accessing proxy access provisions could prove unwieldy and result in an excessive administrative burden and expense for the Company.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

Disclosure: C- Short-term incentives are provided via the Performance Incentive Plan (PIP) which is an annual variable cash payment tied to performance during the fiscal year. The performance metrics used are: adjusted EPS, revenues and free cash flow as a percentage of sales. Performance targets are fully disclosed. However, there are concerns over the use of adjusted targets as these may prevent shareholders from being able to fully assess the challenging nature of the performance targets. Long term equity compensation is composed of Share Appreciation Rights (SARs), Performance Units and Time Vested Units (TVUs). The performance measures used for the Performance Units are average annual Return on Invested Capital (ROIC) and relative TSR, each weighted 50%. Performance targets for each metric are disclosed.

Balance: D- The CEO's fiscal 2017 PIP pay-out is not considered excessive at 156% of salary. However, maximum long-term award opportunities are considered excessive at over 200% of salary. Executive compensation is not aligned with peer group averages. With respect to performance units, the TSR vesting scale is insufficiently broad to ensure superior awards reflect superior performance as executives may receive 100% payout for median performance. Furthermore, the performance period is three years, which is not considered sufficiently long-term. Regarding the SARs, the amount of reward derived from SARs is determined by share price growth, with no performance conditions attached. Thus an increase in share price over the lifespan of a SAR (and falls are unusual) can reward executives even in circumstances of poor relative performance.

Contract: D- Cash severance payments are considered excessive. Contracts do not define 'good reason' and'cause' appropriately. The Company does not have a robust clawback policy in place.

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