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BECTON DICKINSON & CO
Form DEF 14A
December 24, 2003

Section 240.14a-101 Schedule 14A.
Information required in proxy statement.
Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934
(Amendment No.)

Filed by the Registrant [X]

Filed by a party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement

[] Confidential, for Use of the Commission Only (as permitted
by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[] Definitive Additional Materials

[] Soliciting Material Pursuant to Section 240.14a-11(c) or Section
240.14a-12

Becton, Dickinson and Company

.....
(Name of Registrant as Specified In Its Charter)

.....
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1)
and 0-11

(1) Title of each class of securities to which transaction
applies:

.....

(2) Aggregate number of securities to which transaction
applies:

.....

(3) Per unit price or other underlying value of transaction
computed pursuant to Exchange Act Rule 0-11 (set forth the amount
on which the filing fee is calculated and state how it was
determined):

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.....

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[] Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

.....

(2) Form, Schedule or Registration Statement No.:

.....

(3) Filing Party:

.....

(4) Date Filed:

.....

[BECTON DICKINSON LOGO]

BECTON, DICKINSON AND COMPANY
1 Becton Drive
Franklin Lakes, New Jersey 07417-1880
www.bd.com

December 26, 2003

Dear Fellow Shareholders:

You are cordially invited to attend the 2004 Annual Meeting of Shareholders of Becton, Dickinson and Company to be held at 2:00 P.M. on Wednesday, February 11, 2004 at The Woodcliff Lake Hilton, 200 Tice Boulevard, Woodcliff Lake, New Jersey. You will find directions to the meeting on the back cover of the accompanying Proxy Statement.

The Notice of Meeting and Proxy Statement describe the matters to be acted upon at the meeting. We will also report on matters of interest to BD shareholders.

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Your vote is important. Whether or not you plan to attend the Annual Meeting in person, we encourage you to vote so that your shares will be represented and voted at the meeting. You may vote on the Internet or by telephone, or by completing and mailing the enclosed proxy/voting instruction card in the return envelope that has been provided. If you do not vote by Internet, telephone or mail, you still may attend the Annual Meeting and vote in person.

Thank you for your continued support of BD.

Sincerely,

/s/ EDWARD J. LUDWIG

EDWARD J. LUDWIG
Chairman, President and
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

BECTON, DICKINSON AND COMPANY
1 BECTON DRIVE
FRANKLIN LAKES, NEW JERSEY 07417-1880

The 2004 Annual Meeting of Shareholders of BECTON, DICKINSON AND COMPANY will be held at 2:00 P.M., local time, on Wednesday, February 11, 2004 at The Woodcliff Lake Hilton, 200 Tice Boulevard, Woodcliff Lake, New Jersey, to consider and act upon the following proposals:

1. The election of directors;
2. The ratification of the selection of independent auditors;
3. The adoption of the 2004 Employee and Director Equity-Based Compensation Plan;
4. A shareholder proposal relating to cumulative voting; and
5. Such other business as may properly come before the meeting.

Shares represented by properly executed proxies that are hereby solicited by the Board of Directors of Becton, Dickinson and Company will be voted in accordance with instructions specified therein. Shares represented by proxies that are not limited to the contrary will be voted in favor of the election as directors of the persons nominated in the accompanying Proxy Statement, for proposals 2 and 3, and against proposal 4.

Only shareholders of record at the close of business on December 15, 2003 will be entitled to vote at the Annual Meeting.

By order of the Board of Directors,

[DEAN J. PARANICAS SIGNATURE]
DEAN J. PARANICAS
Vice President, Corporate Secretary

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and Public Policy

Dated: December 26, 2003

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. YOU MAY REGISTER YOUR VOTE ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON YOUR PROXY/VOTING INSTRUCTION CARD, OR BY PROMPTLY RETURNING YOUR SIGNED AND DATED PROXY/VOTING INSTRUCTION CARD IN THE ENCLOSED ENVELOPE.

PROXY STATEMENT

2004 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD FEBRUARY 11, 2004

BECTON, DICKINSON AND COMPANY
1 BECTON DRIVE
FRANKLIN LAKES, NEW JERSEY 07417-1880

GENERAL INFORMATION

The enclosed proxy/voting instruction card ('proxy') is solicited by the Board of Directors (the 'Board') of Becton, Dickinson and Company, a New Jersey corporation ('BD'), for use at the 2004 Annual Meeting of Shareholders to be held at 2:00 P.M., local time, on Wednesday, February 11, 2004 at The Woodcliff Lake Hilton, 200 Tice Boulevard, Woodcliff Lake, New Jersey. A proxy may be revoked at any time before it is voted by sending written notice of revocation to the Secretary of the Company, by delivering a duly executed proxy bearing a later date or by voting in person at the meeting. If you vote by telephone or Internet, you may also revoke your proxy with a timely and valid later telephone or Internet vote, as the case may be. This proxy statement and the proxy/voting instruction card are being mailed to shareholders of BD on or about December 26, 2003.

At the close of business on December 15, 2003, the record date fixed by the Board for determining the shareholders entitled to notice of and to vote at the meeting, there were 253,077,570 shares of BD Common Stock (the 'Common Stock') outstanding, each entitled to one vote.

In addition, on December 15, 2003, there were 570,699 shares of BD's Series B ESOP Convertible Preferred Stock (the 'ESOP Preferred Stock') outstanding, all of which are held by State Street Bank and Trust Company, as Trustee of BD's Savings Incentive Plan ('SIP'). The shares of ESOP Preferred Stock are entitled to be voted on all matters submitted to BD's shareholders and also carry one vote per share. Participants in SIP are entitled to instruct the Trustee how to vote all shares of Common Stock and ESOP Preferred Stock allocated to their SIP accounts, as well as how to vote a proportionate number of such shares held in SIP for which voting instructions are not received by the Trustee from other SIP participants or which are not allocated to participants' accounts (the 'unvoted and/or unallocated shares'). Unless otherwise instructed by a SIP participant, the enclosed proxy will serve as voting instructions to the Trustee with respect to both the allocated and the unvoted and/or unallocated SIP shares. SIP shares for which no voting instructions are received from any SIP participants will be voted by the Trustee in the same proportion as it votes the SIP shares for which it has received voting instructions.

Participants in the Savings Incentive Plan of Med-Safe Systems, Inc., a wholly-owned subsidiary of BD (the 'Med-Safe Plan'), also are entitled to

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instruct the Trustee of the Med-Safe Plan how to vote all shares of Common Stock allocated to their accounts, as well as how to vote a proportionate number of shares held in the Med-Safe Plan for which voting instructions are not received by the Trustee from other participants. Shares for which no voting instructions are received from any Med-Safe Plan participants will be voted by the Med-Safe Plan's Trustee in the same proportion as the Trustee votes the shares for which the Trustee has received voting instructions.

The shares of Common Stock held by Wachovia Bank, N.A., as Trustee of both BD's Deferred Compensation Plan ('DCP') and BD's 1996 Directors' Deferral Plan ('DDP'), as well as the shares of Common Stock held by Banque Internationale a Luxembourg ('BIL') in connection with BD's Global Share Investment Program ('GSIP'), also are entitled to be voted on all matters submitted to BD's shareholders and carry one vote per share. Each director participating in DDP and each employee participating in DCP and, if so provided under the terms of the local country GSIP plan, in GSIP, is entitled to instruct the Trustee or BIL, as the case may be, how to vote all shares of Common Stock allocated to that person's account, as well as how to vote a proportionate number of shares held in the relevant plan for which voting instructions are not received.

When returned properly dated and signed, the enclosed proxy will serve as voting instructions by a Med-Safe Plan participant, a DDP participant, a DCP participant and a GSIP participant with respect to both the allocated and the unvoted Med-Safe Plan shares, DDP shares, DCP shares and GSIP shares, as the case may be.

Proxies representing shares of Common Stock held of record also will serve as proxies for shares held under the Direct Stock Purchase Plan sponsored and administered by EquiServe Trust Company, N.A. and any shares of Common Stock and ESOP Preferred Stock allocated to participants' accounts under the DDP, SIP, DCP, the Med-Safe Plan and GSIP, if the registrations are the same. Separate mailings will be made for shares not held under the same registrations.

Shareowners of record and participants in the BD plans described above may cast their votes by:

- (1) using the Internet and voting at the website listed on the enclosed proxy/voting instruction card;
- (2) using the toll-free telephone number listed on the enclosed proxy/voting instruction card; or
- (3) signing, completing and returning the enclosed proxy/voting instruction card in the enclosed postage-paid addressed envelope.

The Internet and telephone voting procedures are designed to authenticate votes cast by use of a personal identification number. The procedure allows shareowners to appoint a proxy and the various plan participants to provide voting instructions, and to confirm that their actions have been properly recorded. Specific instructions to be followed are set forth on the enclosed proxy/voting instruction card.

The presence, in person or by proxy, of the holders of shares representing a majority of the votes entitled to be cast at the meeting shall constitute a quorum.

Directors are elected by a plurality of the votes cast at the meeting. Abstentions with respect to one or more of the nominees will be treated as

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present at the meeting for purposes of determining a quorum, but will not be counted as votes cast and, accordingly, will have no effect on the outcome of the vote. Similarly, shares which brokers do not have the authority to vote in the absence of timely instructions from the beneficial owners ('broker non-votes'), if any, will not be counted and, accordingly, will have no effect on the outcome of the vote.

Approval of Proposals 2, 3 and 4 requires the affirmative vote of a majority of the votes cast on such proposal. Under New Jersey law, in determining whether the proposal has received the requisite number of affirmative votes, abstentions and broker non-votes will not be counted as votes cast and, accordingly, will have no effect on the outcome of the vote.

The Board of Directors is not aware of any matters to be presented at the meeting other than those set forth in the accompanying notice. If any other matters properly come before the meeting, the persons named in the proxy will vote in accordance with their best judgment.

In addition to solicitation by mail, directors, officers and other employees of BD may solicit proxies personally, by telephone or by telegram. Brokers and other nominees will be requested to solicit proxies or authorizations from beneficial owners and will be reimbursed for their reasonable expenses in doing so. BD has retained MacKenzie Partners, Inc., to assist in soliciting proxies for a fee not to exceed \$15,000 plus expenses. The cost of soliciting proxies will be borne by BD.

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SHARE OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth as of September 30, 2003, information concerning those persons known to BD to be the beneficial owner of more than 5% of BD's outstanding Common Stock. The information below is as reported by such persons in their filings with the Securities and Exchange Commission (the 'SEC'). No changes in these holdings have come to BD's attention since September 30, 2003. BD is not aware of any other beneficial owner of more than 5% of its Common Stock.

NAME AND ADDRESS OF BENEFICIAL OWNER -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP -----	PERCENTAGE O CLASS -----
FMR Corp. One Federal Street Boston, MA 02110.....	15,083,851 (1)	6.0%
Barclays Global Investors NA 45 Fremont Street, 17th Floor San Francisco, CA 94105.....	15,038,210 (2)	6.0%
Wellington Management Company LLP 75 State Street Boston, MA 02109.....	14,117,464 (3)	5.6%

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- (1) FMR Corp. has shared investment power with respect to 15,083,851 shares, and has sole voting power with respect to 1,535,211 of such shares.
- (2) Barclays Global Investors NA has sole voting power with respect to 13,376,574 shares, sole investment power with respect to 59,886 shares, and shared investment power with respect to 14,978,324 shares.
- (3) Wellington Management Company LLP has sole voting power with respect to 2,698,898 shares, shared voting power with respect to 799,850 shares, sole investment power with respect to 13,943,248 shares, and shared investment power with respect to 174,216 shares.

The table on the following page sets forth as of October 31, 2003, information concerning the beneficial ownership of Common Stock by each director and nominee for director, the persons named in the Summary Compensation Table on page 20 (the 'named executives'), and by all directors and executive officers as a group. In general, 'beneficial ownership' includes those shares a director or executive officer has the power to vote or transfer, including shares which may be acquired under stock options that are exercisable currently or within 60 days. Certain executive officers also have interests in a total of 24,104 deferred share units previously granted but undistributed under BD's Stock Award Plan. While these shares may not be voted or transferred, they have been included in the table below as they represent an economic interest in Common Stock.

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COMMON STOCK

NAME -----	SHARES OWNED DIRECTLY AND INDIRECTLY (1) -----	SHARES WHICH MAY BE ACQUIRED WITHIN 60 DAYS (2) -----	TOTAL BENEFICIAL OWNERSHIP PERCENTAGE CLASS -----
Harry N. Beaty.....	30,453	4,545	*
Henry P. Becton, Jr.....	240,996 (3)	4,545	*
Gary M. Cohen.....	33,612 (4)	448,930	*
John R. Considine.....	61,616 (4)	475,000	*
Edward F. DeGraan.....	676	0	*
Vincent A. Forlenza.....	30,548	408,918	*
William A. Kozy.....	40,169	409,930	*
Edward J. Ludwig.....	99,943 (4) (5)	1,207,728	*
Frank A. Olson.....	72,707	4,545	*
James F. Orr.....	5,450	1,611	*
Willard J. Overlock, Jr.....	9,459	4,545	*
James E. Perrella.....	30,019	4,545	*
Bertram L. Scott.....	695	0	*
Alfred Sommer.....	8,828	4,545	*
Margaretha af Ugglas.....	9,388	4,545	*
All Directors and Executive Officers as a group (16 persons), including those named above.....	676,461 (4)	3,058,431	1.5%

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* Represents less than 1% of the outstanding Common Stock.

- (1) Includes Common Stock allocated to individual accounts under the BD Savings Incentive Plan ('SIP') and the Global Share Investment Program ('GSIP'), where applicable, as follows: Mr. Ludwig -- 18,562 shares; Mr. Cohen -- 10,257 shares; Mr. Considine -- 665 shares; Mr. Forlenza -- 4,653 shares; Mr. Kozy -- 4,732 shares; and all Executive Officers as a group -- 40,770 shares. Also includes Common Stock allocated to individual accounts under the Deferred Compensation Plan as follows: Mr. Ludwig -- 29,253 shares; Mr. Cohen -- 2,284 shares; Mr. Considine -- 33,641 shares; and all Executive Officers as a group -- 65,178 shares. Also includes Common Stock allocated to individual accounts under the 1996 Directors' Deferral Plan as follows: Dr. Beaty -- 22,453 shares; Mr. Becton -- 22,912 shares; Mr. DeGraan -- 676 shares; Mr. Olson -- 52,707 shares; Mr. Orr -- 4,450 shares; Mr. Overlock -- 7,459 shares; Mr. Perrella -- 17,419 shares; Mr. Scott -- 695 shares; Dr. Sommer -- 8,828 shares; Mrs. af Ugglas -- 9,388 shares; and all Directors as a group -- 146,968 shares. Includes undistributed shares under the Stock Award Plan as follows: Mr. Ludwig -- 9,840 shares; Mr. Forlenza -- 4,904 shares; and Mr. Kozy -- 9,360 shares.
- (2) Consists of stock options available for exercise.
- (3) Includes 212,872 shares held by trusts of which Mr. Becton is a co-trustee with shared investment and voting power or held by a limited liability company owned by one of such trusts. Does not include 32,120 shares owned by Mr. Becton's spouse, 1,600 shares owned by a daughter, 106,940 shares held in trusts for the benefit of his children or 73,500 shares held in a charitable trust of which he is one of eight trustees, and as to each of which he disclaims beneficial ownership.
- (4) In addition to the share ownership indicated, the following named executives have elected, on a discretionary basis, to defer under BD's Deferred Compensation Plan ('DCP') the following portions of their 2003 bonuses into a BD Common Stock account, which investment will be made under the DCP in January 2004: Mr. Ludwig -- \$280,000; Mr. Cohen -- \$65,000 and Mr. Considine -- \$215,000. At an estimated share price of \$40.00, this investment would represent an aggregate additional ownership interest by BD's executive officers in 14,000 shares. In addition, the following named executives have elected, on a discretionary basis, to defer under the DCP during fiscal 2004 the following portions of their monthly salaries into a BD Common Stock account: Mr. Ludwig -- \$8,350; Mr. Cohen -- \$1,391; and Mr. Considine -- \$5,986. At an estimated share price of \$40.00, this would represent an aggregate monthly investment by BD's executive officers in 393 shares.
- (5) Does not include 2,769 shares owned by Mr. Ludwig's son, as to which he disclaims beneficial ownership.

The following table sets forth as of October 31, 2003, information concerning the beneficial ownership of ESOP Preferred Stock held through the SIP by the named executives, by all executive officers as a group, and by the beneficial owner of more than 5% of the outstanding ESOP Preferred Stock.

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ESOP PREFERRED STOCK

	SHARES OWNED DIRECTLY AND INDIRECTLY -----
Edward J. Ludwig.....	558 (1)
Gary M. Cohen.....	467 (1)
John R. Considine.....	112 (1)
Vincent A. Forlenza.....	517 (1)
William A. Kozy.....	569 (1)
All Executive Officers as a group (6 persons).....	2,316 (1)
State Street Bank and Trust Company.....	578,133 (2)
225 Franklin Street	
Boston, Massachusetts 02110	
(as Trustee of the Savings Incentive Plan)	

- (1) Shares allocated to individual accounts under the ESOP component of the SIP. Such shares constitute less than 1% of the total beneficial ownership of the ESOP Preferred Stock. Each share of ESOP Preferred Stock is convertible into 6.4 shares of Common Stock, subject to adjustment.
- (2) As trustee, holding 100% of the outstanding shares of ESOP Preferred Stock.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires BD's executive officers and directors to file initial reports of their ownership of BD's equity securities and reports of changes in such ownership with the SEC and the New York Stock Exchange (the 'NYSE'). Executive officers and directors are required by SEC regulations to furnish BD with copies of all Section 16(a) forms they file. Based solely on a review of copies of such forms and written representations from BD's executive officers and directors, BD believes that for the period from October 1, 2002 through September 30, 2003, all of its executive officers and directors were in compliance with the disclosure requirements of Section 16(a), except that Henry P. Becton, Jr. inadvertently failed to report a gift made by him during the past fiscal year. Mr. Becton subsequently reported the gift.

BOARD OF DIRECTORS

BOARD MEETINGS; COMMITTEES OF THE BOARD

BD is governed by a Board of Directors and various Committees of the Board which meet regularly throughout the year. The Board of Directors, which held nine meetings during the fiscal year ended September 30, 2003, has seven principal standing Committees, which include the Executive Committee, the Audit Committee, the Compensation and Benefits Committee, the Corporate Affairs Committee, the Corporate Governance and Nominating Committee, the Finance and Investment Committee and the Qualified Legal Compliance Committee. All directors attended at least 75% of Board and Committee meetings during the year. The Board of Directors has adopted a written charter for each of the Committees (other than the Executive Committee). Copies of these charters are posted on BD's website at www.bd.com/investors/corporate_governance.

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AUDIT COMMITTEE

The Audit Committee reviews BD's financial statements and accounting principles, the scope and results of the annual audit by the independent auditors, and BD's internal audit process, including BD's internal controls and accounting systems. The Audit Committee also retains and reviews the qualifications, independence and performance of BD's independent auditors. The Audit Committee met eleven times during the year, including quarterly conference calls with management and BD's independent auditors to review BD's Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q prior to their filing. The current members of this Committee are James F. Orr -- Chair, Harry N. Beaty, Willard J. Overlock, Jr. and Bertram L. Scott.

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The Board has considered and concluded that each of the members of the Audit Committee satisfies the independence, financial literacy and expertise requirements of the NYSE. The Board has determined that James F. Orr and Bertram L. Scott qualify as audit committee financial experts under the rules of the SEC. A copy of the Audit Committee's charter is attached hereto as Appendix A.

COMPENSATION AND BENEFITS COMMITTEE

The Compensation and Benefits Committee oversees BD's compensation and benefits policies generally, and also approves the compensation of the Chief Executive Officer and those members of the BD Leadership Team who report to the Chief Executive Officer, which includes all the executive officers. This Committee also approves all employment and severance contracts of BD or any subsidiary with senior executives who are not also directors. In addition, this Committee serves as the granting and administrative committee for BD's equity compensation plans. This Committee also oversees the administration of employee benefits and benefit plans for BD. This Committee is composed entirely of independent directors, as defined in BD's Corporate Governance Principles. The current members of this Committee, which met seven times during the year, are Frank A. Olson -- Chair, Henry P. Becton, Jr., Edward F. DeGraan, Willard J. Overlock, Jr. and James E. Perrella.

CORPORATE AFFAIRS COMMITTEE

The Corporate Affairs Committee oversees BD's policies, practices and procedures as a responsible corporate citizen, in the general areas of ethical conduct and legal compliance, including, without limitation, issues relating to communications, employment practices, community relations, environmental matters, customer relations and business practices and ethics. The current members of this Committee, which met five times during the year, are Margaretha af Ugglas -- Chair, Henry P. Becton, Jr., Bertram L. Scott and Alfred Sommer.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The Corporate Governance and Nominating Committee recommends candidates for election as directors to the Board. It also reviews and makes recommendations concerning the composition, organization, structure and function of the Board and its Committees, as well as the performance and compensation of directors. It monitors and considers BD's corporate governance and Board practices and recommends matters for consideration by the Board, and periodically reviews BD's shareholder rights plan. This Committee is composed entirely of independent directors, as defined in BD's Corporate Governance Principles. The current members of this Committee, which met seven times during the year, are Henry P.

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Becton, Jr. -- Chair, Harry N. Beaty, James F. Orr and Margaretha af Ugglas.

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee reviews the financial and accounting affairs of BD, including BD's financial structure, dividend policy, financial plans and capital expenditure budgets. The Committee also reviews and recommends appropriate Board action with respect to acquisitions and divestitures of assets meeting specified thresholds and oversees various matters related to certain of BD's employee benefit plans which require funding. The current members of this Committee, which met six times during the year, are Willard J. Overlock, Jr. -- Chair, Edward F. DeGraan, Frank A. Olson, James E. Perrella and Alfred Sommer.

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DIRECTORS' COMPENSATION

Each director who is not employed by BD is compensated for services as a director by an annual retainer of \$55,500. An annual fee of \$5,500 also is paid to each Committee chair.

Additional directors' fees of \$1,500 are paid to non-management directors for each half-day spent outside of regularly scheduled board meetings, or in meetings of any particular committee of the Board in excess of five hours in any year. Additional directors' fees of \$1,500 per half-day are also paid for time spent by a non-management director visiting BD's businesses or meeting with representatives or officers of BD.

Directors may defer, in an unfunded cash account or an unfunded BD Common Stock account, all or part of their annual retainer and other fees, until up to 10 years after separation from the Board, pursuant to the provisions of the 1996 Directors' Deferral Plan. The number of shares credited to the accounts of directors is adjusted periodically to reflect the payment and reinvestment of dividends on the Common Stock.

BD reimburses all directors for travel and other necessary business expenses incurred in the performance of their services for BD.

Each non-management director elected at, or continuing as a director after, each annual meeting of shareholders is granted stock options to purchase shares of Common Stock at the fair market value of the Common Stock on the date of grant. The options granted have a value of \$35,000 (based on the Black-Scholes option pricing model).

Directors' fees are the only form of compensation received by non-management directors from BD.

Changes to Director Compensation

In November 2003, the Board reviewed the compensation for non-management directors. In light of the Board's increasing workload and in order to provide more competitive compensation to attract and retain qualified non-management directors, the Board has decided to provide an annual grant of 1,200 restricted stock units to each non-management director elected at, or continuing as a director after, each annual meeting of shareholders. The distribution of the shares of BD Common Stock represented by the restricted stock units will be deferred until a director's separation from the Board. This grant would be in

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addition to the existing compensation arrangements described above, and would become effective beginning with the 2004 Annual Meeting, subject to shareholder approval of the 2004 Employee and Director Equity-Based Compensation Plan discussed later in this proxy statement.

The Board determined to pay the additional compensation described above in equity rather than cash, so as to more closely align the Board's interests with those of BD's shareholders.

DIRECTORS' SHARE OWNERSHIP GUIDELINES

Under the Board's formal share ownership guidelines for non-management directors, each non-management director is required to own shares of Common Stock valued at 50% of the amount obtained by multiplying the annual retainer fee by the number of years such person has served as a director. Nine of BD's ten non-management directors are in compliance with these guidelines. One non-management director is substantially in compliance.

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES

In November 2001, the Board adopted a set of Corporate Governance Principles. The Corporate Governance Principles address a number of topics, including director independence, Board and Committee self-assessment, mandatory retirement, evaluation of the Chief Executive Officer, composition of the Board and succession planning. The Corporate Governance Principles are reviewed by the Corporate Governance and Nominating Committee on a regular basis and any proposed additions or amendments to the Corporate Governance Principles are reviewed and submitted to the Board for its consideration.

In order to provide shareholders with greater knowledge regarding the Board's processes, the Mission Statement and Corporate Governance Principles adopted by the Board of Directors are attached as Appendix B to this proxy statement. The Corporate Governance Principles also are posted on BD's website at www.bd.com/investors/corporate_governance.

The NYSE recently adopted rules that would require listed companies to adopt governance guidelines covering certain matters. BD has carefully reviewed its Corporate Governance Principles and believes that they comply with the NYSE rules.

EXECUTIVE SESSIONS AND LEAD DIRECTOR

BD's Corporate Governance Principles require the non-management directors to meet in executive session not less than three times per year. One of these sessions is dedicated to the review of the Chief Executive Officer and the recommendations of the Compensation and Benefits Committee regarding the Chief Executive Officer's compensation.

The Corporate Governance Principles also provide for the appointment of a presiding director (the 'Lead Director') by the independent members of the Board. The Lead Director presides over any executive session of the non-management directors. The Lead Director also serves as a liaison between the non-management members of the Board and the Chairman, and discusses with the Chairman, to the extent appropriate, matters discussed by the non-management

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directors in executive session. The Lead Director also serves as a contact person to facilitate communications by BD's employees, shareholders and other constituents with the non-management members of the Board.

Mr. Frank A. Olson has been designated as the Lead Director based on his many years of service as a director of BD. Shareholders wishing to communicate with BD's non-management directors may contact the Lead Director either by mail, addressed to BD Lead Director, c/o Corporate Secretary, 1 Becton Drive, Franklin Lakes, NJ 07417-1880, or by calling the BD Ethics Help Line, an independent toll-free service, at 1-800-821-5452 (available seven days a week, 24 hours a day). Callers from outside the U.S., Canada and Mexico should use 'AT&T Direct' to reach AT&T in the U.S. and then dial the above toll-free number. All communications will be kept confidential and forwarded directly to the Lead Director.

Shareholders wishing to communicate with the Chairman may contact Edward J. Ludwig, BD's Chairman, President and Chief Executive Officer, at 1 Becton Drive, Franklin Lakes, NJ 07417-1880, or by calling 1-201-847-6800.

DIRECTOR INDEPENDENCE

The Board assesses each director's independence annually in accordance with BD's Corporate Governance Principles. A director's independence is determined by the Board pursuant to the Corporate Governance Principles, which define an independent director as one who has not been employed by BD or any of its subsidiaries within the previous five years and has no significant financial or personal relationship to BD or to its management that would interfere with the exercise of independent judgment by such director. The Board has determined, after careful review, that each member of the Board is independent as defined in BD's Corporate Governance Principles, with the exception of Mr. Ludwig, who is employed by BD, and Dr. Alfred Sommer, Dean, The Johns Hopkins University ('JHU') Bloomberg School of Public Health, as Mr. Ludwig currently serves as a member of the JHU Board of Trustees. Accordingly, nine out of the eleven current members of the Board are independent directors.

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ANNUAL REPORT OF CHARITABLE CONTRIBUTIONS

Pursuant to BD's Corporate Governance Principles, any charitable contributions, or pledges of charitable contributions, by BD in any given fiscal year in an aggregate amount of \$50,000 or more to an entity for which a BD director or a member of his or her immediate family serves as a director, officer or employee, or as a member of such entity's fund-raising organization or committee, is subject to the prior consideration and approval of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee of the Board is provided annually with a report by management of charitable contributions or pledges made by BD during the fiscal year in an amount of \$10,000 or more, to any entity for which a BD director or executive officer or a member of his or her immediate family, serves as a director, officer or employee, or as a member of such entity's fund-raising organization or committee. The report for fiscal 2003 is attached as Appendix C to this proxy statement.

BOARD EVALUATION

Each year, the Board conducts a self-assessment of the Board's performance

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and effectiveness. This process commences with each director completing a Board Evaluation Questionnaire. This questionnaire was developed by the Corporate Governance and Nominating Committee and provides for a range of grades and trend indicators to be completed by each director, as well as space for written comments, with respect to each of the following seventeen criteria:

1. The Board understands and approves BD's mission statement, values and objectives, as well as its strategic and operating plans.
2. The Board understands the industries in which BD operates and the implications of current general economic and political trends to those businesses.
3. The Board evaluates BD's research and development performance and level of commitment.
4. The Board considers the financial performance of peer companies when assessing Company performance.
5. The Board evaluates and reviews the performance and values of the Chief Executive Officer.
6. The Board reviews senior management development and compensation and considers the correlation between compensation levels and Company performance.
7. Board meetings foster open communication and timely resolution of issues presented.
8. The Corporate Governance and Nominating Committee reviews and communicates the Board's expectations concerning director responsibilities and monitors the productivity of Board and Committee meetings.
9. The Board assesses and modifies, as necessary, the structure of the Board and its Committees, as well as the frequency of the Board and Committee meetings.
10. The Board establishes criteria and policies to ensure the representation of characteristics and expertise among its membership necessary to its effectiveness.
11. The Board seeks to optimally and appropriately utilize each Board member's experiences in terms of Committee appointments.
12. The Board reviews the availability, content and timeliness of information provided to it, prepares appropriately for Board meetings and requests additions or changes to the material provided, when appropriate.
13. The Board verifies the independence of each non-management director and considers the impact, if any, of changes in the principal employment of non-management directors.
14. The Board monitors and understands current issues and trends in corporate governance.
15. The Board reviews and adopts annual capital and operating budgets and monitors Company performance against them during the year.

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16. The Board reviews the adequacy of existing accounting and financial controls and oversees ethical conduct and legal compliance by BD.
17. The Board reviews succession plans for the Chief Executive Officer and senior management.

In some instances, the above criteria relate to Board functions, such as senior management compensation, which are largely performed by a Committee of the Board.

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The collective ratings and comments of the directors are compiled and presented by the Chair of the Corporate Governance and Nominating Committee to the full Board for discussion, for the assessment of progress in the areas targeted for improvement a year earlier, and for the development of recommendations to enhance the Board's effectiveness over the next year.

In addition, each Board Committee conducted a self-evaluation of its performance during fiscal 2003, with performance criteria for each Committee developed on the basis of its purposes and mission, as set forth in its charter.

EVALUATION OF INDIVIDUAL DIRECTOR CANDIDATES

When evaluating prospective candidates for director, the Corporate Governance and Nominating Committee conducts individual evaluations against the criteria enumerated in BD's Corporate Governance Principles, as well as criteria designed to measure performance in five critical areas:

1. Personal Characteristics
2. Core Competencies
3. Independence
4. Level of Commitment
5. Board and Company Considerations

The Board assessed the characteristics and performance of the individual directors standing for re-election to the Board at the 2004 Annual Meeting against these criteria, and, to the extent applicable, considered the impact of any change in the principal occupations of all directors during the last year. Upon completion of the individual director evaluation process, the Corporate Governance and Nominating Committee reported to the full Board its conclusions and recommendations for nominations to the Board.

Any shareholder may recommend nominees for director for consideration by the Corporate Governance and Nominating Committee by writing to the Secretary of BD. Submissions should include the full name and address and a statement of the qualifications of the proposed nominee.

BUSINESS CONDUCT AND COMPLIANCE GUIDE

In 1995, the Board adopted the BD Business Conduct and Compliance Guide (the 'Guide'). The Guide is a code of conduct and ethics applicable to all directors, officers and employees of BD, including its Chief Executive Officer and its Chief Financial Officer, Controller and other senior financial officers. The Guide sets forth BD policies and expectations on a number of topics, including without limitation, conflicts of interest, confidentiality, compliance with laws

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(including insider trading laws), preservation and use of Company assets, and business ethics. The Guide also sets forth procedures for communicating and handling any potential conflict of interest (or the appearance of any conflict of interest) involving directors or executive officers, and for the confidential communication and handling of issues regarding accounting, internal controls and auditing matters.

In 1995, BD instituted an Ethics Help Line for BD associates as a means of raising concerns or seeking advice. The Help Line is serviced by an independent contractor and is available to all associates worldwide, 7 days a week, 24 hours a day. Translation services are also available to associates. Associates using the Help Line may choose to remain anonymous and all inquiries are kept strictly confidential. All Help Line inquiries are forwarded to the Director of Business Ethics and Conduct (the 'Ethics Director') for investigation. Any reported matters involving accounting, internal control or audit matters, or any fraud involving management or persons who have a significant role in BD's internal controls, are reported to the Audit Committee of the Board.

The Ethics Director leads the BD Ethics Office, an independent unit within BD that administers BD's ethics program. In addition to the Help Line, the ethics program provides for broad communication of BD's core values, associate education regarding the Guide and its requirements, and ethics training sessions.

BD regularly reviews the Guide and proposed additions or amendments to the Guide are considered and subject to approval by the Board. The Guide is posted on BD's website at www.bd.com/investors/corporate_governance. Any amendments to the Guide, as well as any waivers from any provisions of the Guide relating to BD's Chief Executive Officer, Chief Financial Officer or Controller, will be posted on BD's website at the foregoing website address.

The NYSE recently adopted rules that would require listed companies to adopt a code of business conduct and ethics covering certain matters. BD has carefully reviewed the Guide and believes that it complies with the NYSE rules.

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REPORT OF THE AUDIT COMMITTEE

NOVEMBER 24, 2003

The Audit Committee reviews BD's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The independent auditors are responsible for performing an independent audit of BD's consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Committee monitors these processes.

In this context, the Committee met and held discussions with management and the independent auditors. Management represented to the Committee that BD's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the Committee reviewed and discussed the consolidated financial statements with management and the independent auditors. The Committee also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU 380), as amended.

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In addition, the Committee discussed with the independent auditors the auditors' independence from the Company and its management, and the independent auditors provided to the Committee the written disclosures and letter required by the Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees).

The Committee discussed with BD's internal and independent auditors the overall scope and plans for their respective audits. The Committee met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of BD's internal controls, and the overall quality of BD's financial reporting.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in BD's Annual Report on Form 10-K for the fiscal year ended September 30, 2003, for filing with the Securities and Exchange Commission. The Committee and the Board also have recommended the selection of BD's independent auditors for fiscal year 2004.

AUDIT COMMITTEE

JAMES F. ORR, CHAIR
HARRY N. BEATY
WILLARD J. OVERLOCK, JR.
BERTRAM L. SCOTT

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PROPOSAL 1.

ELECTION OF DIRECTORS

The Board of Directors is divided into three classes, the terms of which expire alternately over a three-year period. The Board proposes the election of Henry P. Becton, Jr., Edward F. DeGraan, James F. Orr and Margaretha af Ugglas to serve for three years until the 2007 Annual Meeting and until their successors have been duly elected and qualified.

All of the nominees for election have consented to being named in this proxy statement and to serve if elected.

Biographical information concerning each of the nominees and directors continuing in office following the 2004 Annual Meeting is presented on this and the following pages.

NOMINEES FOR DIRECTOR

NOMINEES FOR DIRECTOR -- TERM TO EXPIRE 2007

[HENRY J. BECTON,
JR. PHOTO]

Henry P. Becton, Jr., 60, has been a director since 1987. He is President and General Manager of WGBH Educational Foundation, a producer and broadcaster of public television and radio programs and books and other educational materials. Mr. Becton is a director of Belo Corporation, various Zurich Scudder mutual funds and Public Radio International.

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[EDWARD F. DEGRAAN
PHOTO]

Edward F. DeGraan, 60, has been a director since May 2003. He is Vice Chairman of The Gillette Company. Prior thereto, he served as Executive Vice President in various capacities with Gillette, and then became President and Chief Operating Officer in July 2000. Mr. DeGraan served as Acting Chief Executive Officer of Gillette from October 2000 to February 2001. He is a trustee of the National Urban League.

[JAMES F. ORR
PHOTO]

James F. Orr, 58, has been a director since 2000. Mr. Orr is the Chairman, President and Chief Executive Officer of Convergys Corporation, a provider of outsourced billing and customer management services. Prior thereto, he served as Chief Operating Officer and a director of Cincinnati Bell, Inc. At Cincinnati Bell, he was Chairman and President of Cincinnati Bell Information Systems and MATRIX Marketing, the businesses which now make up Convergys. In addition, Mr. Orr is a director of Ohio National Financial Services, Inc.

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[MARGARETHA UGLLAS
PHOTO]

Margaretha af Ugglas, 64, has been a director since 1997. She is the former Minister of Foreign Affairs of Sweden. Ms. af Ugglas is a director of the Karolinska Institute and of the Jarl Hjalmarson Foundation.

CONTINUING DIRECTORS

TERM TO EXPIRE 2005

[HARRY N. BEATY
PHOTO]

Harry N. Beaty, M.D., 71, has been a director since 1985. He is Emeritus Dean of the Northwestern University Medical School and serves on the Board of the Northwestern Medical Faculty Foundation. Dr. Beaty is a specialist in internal medicine and a subspecialist in infectious diseases. He also is a director of Banner Health, Arizona.

[FRANK A. OLSON
PHOTO]

Frank A. Olson, 71, has been a director since 1985. He is Chairman Emeritus of The Hertz Corporation, a transportation company. Mr. Olson also is a director of Amerada Hess Corporation, White Mountains Insurance Group, Ltd. and various Franklin Templeton mutual funds.

[JAMES E. PERRELLA
PHOTO]

James E. Perrella, 68, has been a director since 1995. In 2000, he retired as Chairman of the Board of Ingersoll-Rand Company, a manufacturer of industrial machinery and related products. Mr. Perrella also is a director of Milacron Inc., Bombardier Inc. and Arvin Meritor, Inc.

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[ALFRED SOMMER, M.D. PHOTO] Alfred Sommer, M.D., M.H.S., 61, has been a director since 1998. He is Dean of The Johns Hopkins University Bloomberg School of Public Health, and Professor of Ophthalmology, Epidemiology and International Health. Dr. Sommer was founding Director of the Dana Center for Preventive Ophthalmology at Johns Hopkins, which focuses on clinical epidemiology and public health aspects of blindness prevention and child health. Dr. Sommer is also a director of T. Rowe Price Group, Inc.

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TERM TO EXPIRE 2006

[EDWARD J. LUDWIG PHOTO] Edward J. Ludwig, 52, has been a director since 1999. He was elected President of BD in May 1999, and became President and Chief Executive Officer in January 2000. Mr. Ludwig was elected to the additional role of Chairman, effective February 2002. Mr. Ludwig served as Executive Vice President from July 1998 to May 1999 and prior thereto was Senior Vice President-Finance and Chief Financial Officer. Mr. Ludwig is a director of Aetna Inc., the U.S. Fund for UNICEF, and a member of the Board of Trustees of The Johns Hopkins University.

[WILLARD J. OVERLOCK PHOTO] Willard J. Overlock, Jr., 57, has been a director since 1999. He retired in 1996 as a partner in Goldman, Sachs & Co., where he served as a member of its management committee, and currently serves as a Senior Advisor to The Goldman Sachs Group, Inc. Mr. Overlock also is an advisor to the Parthenon Group.

[BERTRAM L. SCOTT PHOTO] Bertram L. Scott, 52, has been a director since 2002. He is the President and Chief Executive Officer of TIAA-CREF Life Insurance Company and Executive Vice President of TIAA-CREF. Prior to joining TIAA-CREF in November 2000, Mr. Scott served as President and Chief Executive Officer of Horizon/Mercy, a joint Medicaid managed care program between Mercy Health Plan of Pennsylvania and Blue Cross/Blue Shield of New Jersey.

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EXECUTIVE COMPENSATION

REPORT OF THE COMPENSATION AND BENEFITS COMMITTEE
ON EXECUTIVE COMPENSATION

The Compensation and Benefits Committee of the Board (the 'Committee')

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reviews the overall compensation program for the members of the BD Leadership Team who report to the Chief Executive Officer, including the individuals named in the Summary Compensation Table (the 'Named Executives'), and determines and administers their compensation. The Committee also oversees the administration of employee benefits and benefit plans for the Company and its subsidiaries. An independent consultant supports the Committee in fulfilling its mission.

The Committee is composed exclusively of non-employee directors, as defined in applicable rules and regulations of the Securities and Exchange Commission, and none of the members of the Committee is an employee or former employee of the Company or eligible to participate in any of the Company's executive compensation programs. Each of the members of the Committee also satisfies the criteria necessary to be considered an 'outside director' for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the 'Code'), and an 'independent' director under the rules of the New York Stock Exchange.

OVERVIEW

BD's purpose is to help all people live healthy lives while generating superior total shareholder return. With this focus in mind, the Committee has developed and implemented a compensation philosophy designed to reward and support superior performance and attract and retain top talent. This objective is achieved through a variety of compensation measures, described below, which are designed to support the current and long-term performance of the Company.

The Committee believes that the structure of the Company's compensation program, with its emphasis on long-term compensation, serves to focus Company executives on attaining a sustained, high level of Company performance and creating long-term shareholder value.

CHALLENGING TARGETS

BD's management compensation program emphasizes the establishment of challenging goals through a number of factors, including:

- the Committee's active assessment of management's proposed performance goals and the link between goal attainment and short-term and long-term management incentives;

- a significant proportion of total compensation being contingent on achievement of predetermined goals; and

- long-term compensation and performance being measured and determined relative to that of a group of high-quality healthcare institutions with which BD competes for management talent (the 'Compensation Comparison Group').

The Compensation Comparison Group includes most of the companies in the selected peer group of companies used in preparing the Performance Graph set forth on page 25 (the 'Performance Peer Group'), as well as other companies that compete with the Company for executive talent. The composition of the Compensation Comparison Group can vary depending on changes in marketplace dynamics and the extent to which the particular companies have positions similar in breadth and scope of responsibilities to the Company. Presently, the Compensation Comparison Group consists of Abbott Laboratories, Alcon, Allergan, Apogent Technologies, Baxter International Inc., Beckman Coulter, Inc., Boston Scientific Corporation, C.R. Bard, Guidant Corporation, Johnson & Johnson, Medtronic, Inc., PerkinElmer, Roche Diagnostics and St. Jude Medical, Inc.

PRINCIPAL COMPENSATION ELEMENTS

The key elements of executive compensation are base salary, annual

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performance incentive awards, and stock options. These components are administered with the goal of providing total compensation that is competitive, motivates the highest individual performance, rewards sustained performance, and provides above-

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average rewards when merited by individual, business unit and Company results. In assessing the effectiveness and competitiveness of BD's executive compensation structure, the Committee reviews compensation practices of the Compensation Comparison Group with the assistance of its independent consultant.

BASE SALARY

The Committee annually reviews and determines the base salaries of the BD Leadership Team members who report to the Chief Executive Officer. The Committee evaluates management's salary recommendations based on the results achieved by each executive, his or her future potential, scope of responsibilities and experience, as well as competitive salary practices. The Company generally targets executive officer salaries to approximate the median levels expected to be paid by companies in the Compensation Comparison Group to persons holding equivalent positions.

ANNUAL INCENTIVE AWARDS

The Company's Performance Incentive Plan is structured to reward executives based on the overall performance of the Company, as well as the performance of each executive and that of his or her area of responsibility or business unit. The Committee sets target incentives for each participating executive officer at the beginning of each year. These targets are established as a percentage of the executive's salary and are calculated to deliver compensation to the executive at the median range for the Compensation Comparison Group companies.

The Committee adopted performance measures for fiscal 2003 to determine the amount of incentives to be paid at different levels of performance. Funding for award pools for all executive officers (and other members of the BD Leadership Team) and corporate functions is based primarily on achieving a total Company earnings per share target and net income target, respectively, set at the beginning of the year. Funding for award pools for business units and regions/countries is also based primarily on achieving targets established at the beginning of the year for operating income with an additional measure for working capital performance.

In addition to these financial targets, each business unit, region/country and function has established certain objectives based on key Company initiatives and desired improvements to competitive positions. Key Company initiatives for fiscal 2003 included, among other things, continued growth in sales of safety-engineered products, the launch of new product platforms in the areas of blood glucose monitoring and cellular analysis and sorting, successful implementation of Genesis (the Company's enterprise resource planning system) in North America and the Europe and Asia Pacific regions, and initiatives to strengthen operational effectiveness and organizational capabilities. These objectives were required to have been met in order for full payouts to be made under this plan.

Under the Performance Incentive Plan, the range of performance for which awards are funded is between 80% (threshold) and 110% (maximum) of the target goal. At the threshold level of performance, the pool is funded at 50%. Below

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the threshold, the pool is 0%. For every 1% increase in performance between 80% and 100% of goal, the pool is increased by 2.5%. For every 1% increase in performance above 100% of goal, the pool is increased by 5%, to a maximum of 150% of target.

The Committee relies heavily, but not exclusively, on the above criteria. The Committee does not use any fixed formula in determining incentive awards. Instead, it exercises discretion in light of these measures and in view of compensation objectives to determine overall incentive funds and individual incentive amounts.

For fiscal 2003, the Company achieved 100% of its earnings per share target established by the Committee, and 100% of its net income target, under the Performance Incentive Plan. The level of achievement of applicable targets for individual business units and regions varied. Awards to the Chief Executive Officer and the other Named Executives are set forth in the Summary Compensation Table. These awards were based on the performance of the individual, as well as the performance of the Company and the relevant business unit or function.

DEFERRED COMPENSATION PLAN

The Company maintains a Deferred Compensation Plan ('DCP') that allows employees, including executive officers, with a base salary of \$100,000 or more, to defer receipt of salary and/or annual incentive

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awards into either Common Stock of the Company or in cash accounts that mirror the gains and/or losses of a number of different investment funds selected by the Company. Under the DCP, participants may defer up to 75% of their base salary and up to 100% of their annual performance incentive awards, until the date or dates specified by the participant.

The Company is not required to make any contributions to the DCP, other than to the extent a participant who also is a participant in the Company's Savings Incentive Plan ('SIP') would receive a lower matching contribution from the Company under SIP as a result of his or her deferral of salary under the DCP.

Prior to January 1, 2002, participants in the DCP were only able to defer compensation into either Common Stock of the Company or into a cash account that provided a return equal to the Moody's Seasoned AAA Corporate Bond Rate. The DCP was amended in November 2001 to eliminate the fixed rate of return investment option for any compensation deferred after January 1, 2002. Neither the Chief Executive Officer nor any of the other Named Executives has any deferred compensation in a fixed return account.

The DCP is not funded by the Company, and participants have an unsecured contractual commitment of the Company to pay the amounts due under the plan. When such payments are due, the cash and/or stock will be distributed from the Company's general assets.

STOCK OPTIONS

The Committee grants stock options broadly and deeply throughout the organization, and thus provides additional incentives to employees to maximize shareholder value. Grants are based on individual performance and long-term contribution potential. It has been the Company's practice over the past five years to grant on average approximately 82% of all option grants to associates

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who are not members of the BD Leadership Team.

Stock option grant levels and terms are established to provide executives with the opportunity for overall compensation levels targeted at the median of the competitive range for comparable positions in the marketplace, provided management is successful in achieving competitive growth in total shareholder value.

For fiscal 2003, the Committee approved an indexed stock option program intended to compensate senior executives, including executive officers, based on total shareholder return relative to that of the Performance Peer Group. The program is intended to focus management on the long-term creation of shareholder value by linking incentive compensation to quantifiable measures that drive shareholder value creation over time. The number of shares available for grant to members of the BD Leadership Team, including the executive officers, may be increased or decreased by as much as 25% from the executive's target grant based on BD's annual total shareholder return compared to the Performance Peer Group.

Accordingly, for fiscal 2003, the Committee approved on November 25, 2002 a grant to executive officers based on performance results for fiscal 2002. Based on relative performance, the total executive stock option grant level was at 85.7% of target.

The Company has not re-priced options or issued additional options in response to any decline in the Company's stock price. Vesting of stock option awards made prior to November 2001 generally occurred over a three-year period beginning from the date of grant (with 50% becoming vested two years, and the remainder becoming vested three years, from the date of grant), while vesting of stock option awards granted in November 2001 and thereafter generally occurs over a four-year period (with 25% becoming vested on each anniversary of the date of grant).

CHANGES TO LONG-TERM INCENTIVE COMPENSATION EFFECTIVE AS OF FISCAL 2004

Commencing in fiscal 2004, the Committee has approved a three-pronged strategy aimed at delivering long-term incentives to certain members of the BD Leadership Team that more closely link executive and shareholder interests while rewarding executives for sustained long-term Company performance.

Accordingly, long-term incentives in the future will include some or all of the following: stock options to align the interests of executives with shareholders, performance-based stock awards to drive sustained Company performance, and restricted stock units to encourage retention of key executives. The combined value of these components will continue to be targeted at the median of the competitive range for comparable positions in the marketplace.

The use of stock options and performance-based stock awards each will generally be targeted to deliver approximately 40% of the total long-term incentive value, while restricted stock units will generally be targeted to deliver the remaining 20%. Performance-based stock awards will be keyed to the Company's performance against pre-established targets, which may include, among others, its compound growth rate of consolidated revenues and average return on invested capital over a three-year period. Performance-based stock awards will become available to a grantee commencing at the end of the three-year measurement period. Restricted stock units will be deferred until one year

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following the grantee's retirement, or alternatively following his or her involuntary separation or termination other than for cause.

In furtherance of this strategy, for fiscal 2004, the Committee made long-term incentive compensation grants in November 2003 that are more fully described under the caption 'November 2003 Long-Term Incentive Grants' on pages 21 to 23 of this proxy statement. For years following fiscal 2004, the Committee has recommended to the Board that it seek shareholder approval for the 2004 Employee and Director Equity-Based Compensation Plan that is set forth as Appendix D.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

Each year, the non-management directors meet in executive session to evaluate the performance of the Chief Executive Officer. The results of this evaluation are then used by the Compensation and Benefits Committee in determining the compensation of the Chief Executive Officer.

On November 25, 2002, the Committee approved a base salary increase for Mr. Ludwig from \$850,000 to \$900,000, effective January 1, 2003. The Summary Compensation Table sets forth the details regarding all compensation of the Chief Executive Officer for fiscal 2003. The determination of the Chief Executive Officer's salary, annual incentive award and stock option grant was made by the Committee based on the same policies and calculations described above applicable to all executive officers.

2003 COMPENSATION ACTIONS: OTHER EXECUTIVE OFFICERS

The other executive officers, including the other Named Executives, received salary increases effective January 1, 2003 that averaged 4.8%.

INTERNAL REVENUE CODE SECTION 162(m)

Section 162(m) of the Code precludes a public corporation from taking a deduction for compensation in excess of \$1 million for its chief executive officer or any of its four other highest paid executive officers, unless certain specific and detailed criteria are satisfied.

The Committee considers the anticipated tax treatment to the Company and to the executive officers in its review and establishment of compensation programs and payments. The deductibility of some types of compensation payments can depend upon the timing of an executive's vesting or exercise of previously granted rights. Interpretations of and changes in applicable tax laws and regulations as well as other factors beyond the control of the Committee also can affect deductibility of compensation. For these and other reasons, the Committee has determined that it will not necessarily seek to limit executive compensation to that deductible under Section 162(m) of the Code. The Committee will continue to monitor developments and assess alternatives for preserving the deductibility of compensation payments and benefits to the extent reasonably practicable, consistent with its compensation policies and as determined to be in the best interests of the Company and its shareholders.

EXECUTIVE AND SHAREHOLDER ALIGNMENT

Each of the executives identified below is required to own within a prescribed period of time a significant ownership stake in the Company, representing varying multiples of the executive's base salary, depending on the executive's position. The Company can extend the period of time within which the guidelines are to be complied with when circumstances, such as a promotion, significantly increase the target level of share ownership. The current ownership guidelines are as follows:

Chairman, President and Chief Executive Officer.....	5 times salary
Other BD Leadership Team Members (16 persons).....	3 times salary
All Other Corporate Officers.....	2 times salary

The Company periodically monitors individuals' compliance with these ownership guidelines. Stock options, including vested options, are not included in determining whether an individual has met his or her ownership guidelines. The Company does not, and has not, provided any loans to management for the purpose of assisting them in complying with these ownership guidelines. Of the 17 current members of the BD Leadership Team, 15 are in substantial compliance with the ownership guidelines, and the other two have plans in place to come into compliance in a timely manner. Aggregate shareholdings by this group increased by 20% during the course of fiscal 2003.

COMPENSATION AND BENEFITS COMMITTEE

FRANK A. OLSON, CHAIR
 HENRY P. BECTON, JR.
 EDWARD F. DEGRAAN
 WILLARD J. OVERLOCK, JR.
 JAMES E. PERRELLA

COMPENSATION OF NAMED EXECUTIVES

The following tables and graph set forth information on the compensation of BD's Chief Executive Officer and the four most highly compensated officers other than the Chief Executive Officer (collectively, the 'named executives').

GENERAL

The following table shows, for the fiscal years ended September 30, 2003, 2002 and 2001, respectively, compensation provided by BD to each of the named executives in all capacities in which they served.

SUMMARY COMPENSATION TABLE

NAME AND	FISCAL	ANNUAL COMPENSATION	LONG-TERM
		AWARDS	COMPENSATION
		-----	-----
			RESTRICTED STOCK
			SECURITIES UNDERLYING OPTIONS

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PRINCIPAL POSITION -----	YEAR ----	SALARY (1) -----	BONUS (1) -----	AWARDS (2) -----	SARS ----
Edward J. Ludwig.....	2003	\$887,397	\$800,000	0	220,00
Chairman, President and Chief Executive Officer	2002	850,000	750,000	0	300,00
	2001	730,000	723,000	0	250,00
Gary M. Cohen.....	2003	456,455	325,000	0	65,00
President -- BD Medical	2002	440,000	310,000	0	85,00
	2001	418,000	290,000	0	50,00
John R. Considine.....	2003	553,699	430,000	0	90,00
Executive Vice President and Chief Financial Officer	2002	535,000	410,000	0	125,00
	2001	508,356	410,000	0	90,00
Vincent A. Forlenza.....	2003	405,274	290,000	0	45,00
President -- BD Biosciences	2002	385,000	245,000	0	65,00
	2001	360,000	235,000	0	43,00
William A. Kozy.....	2003	404,959	290,000	0	45,00
President -- BD Diagnostics	2002	378,164	245,000	0	65,00
	2001	345,000	230,000	0	43,00

- (1) Amounts shown reflect salary and bonuses earned by the named executives for the applicable fiscal year. Bonuses are paid in the fiscal year following the fiscal year for which they are earned, unless deferred at the election of the executive. The following named executives elected to defer, on a discretionary basis, with respect to the years covered in the Summary Compensation Table the following amounts of salary and bonus into a BD Common Stock account under the Deferred Compensation Plan: Mr. Ludwig -- for 2003, \$280,000 of bonus and \$93,192 of salary, for 2002, \$300,000 of bonus and \$74,539 of salary, and for 2001, \$448,260 of bonus; Mr. Cohen -- for 2003, \$65,000 of bonus; and Mr. Considine -- for 2003, \$215,000 of bonus and \$69,135 of salary, for 2002, \$205,000 of bonus and \$84,832 of salary, and for 2001, \$205,000 of bonus and \$124,559 of salary.
- (2) The following table contains information relating to the undistributed portions of stock awards previously granted to the named executives under the Stock Award Plan.

NAME ----	NUMBER OF UNDISTRIBUTED SHARES HELD -----	MARKET VALUE OF UNDISTRIBUTED SHARES HELD -----
Edward J. Ludwig.....	9,840	\$355,420
Vincent A. Forlenza.....	4,904	\$177,132
William A. Kozy.....	9,360	\$338,083

Under the terms of the Stock Award Plan, none of the holdings reflected may be distributed prior to retirement or termination of employment without cause.

Market values are determined by multiplying the number of undistributed shares by \$36.12, the September 30, 2003 closing price for the Common Stock. No discount has been taken to reflect (1) the continuing restrictions on distribution and transferability, or (2) the fact that undistributed shares are not dividend-bearing.

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- (3) Amounts shown represent BD's matching contributions to BD's Savings Incentive Plan ('SIP'), a qualified defined contribution plan available to U.S. employees at all levels, and the dollar value of split-dollar life insurance policies that had been provided for certain of the named executives up until July 2003.

During fiscal 2003, BD made contributions to SIP of \$6,000 for each of Messrs. Ludwig, Cohen, Considine, Forlenza and Kozy. These amounts represent BD matching contributions at a 50% rate of the first 6% of base pay contributed to SIP by each of the named executives, in accordance with applicable SIP rules and subject to limits imposed by the IRS upon maximum contributions to such tax-qualified plans.

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STOCK OPTION GRANTS

The following table contains information relating to stock option and tandem limited stock appreciation right ('SAR') grants made in fiscal 2003.

OPTION/SAR GRANTS IN FISCAL YEAR 2003

NAME -----	INDIVIDUAL GRANTS				GRAN PR VAL -----
	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED (1) -----	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES IN FISCAL YEAR -----	EXERCISE PRICE -----	EXPIRATION DATE -----	
Edward J. Ludwig.....	220,000	4.09%	\$ 29.99	11/25/12	\$ 2,
Gary M. Cohen.....	65,000	1.21%	\$ 29.99	11/25/12	
John R. Considine.....	90,000	1.67%	\$ 29.99	11/25/12	
Vincent A. Forlenza.....	45,000	.84%	\$ 29.99	11/25/12	
William A. Kozy.....	45,000	.84%	\$ 29.99	11/25/12	
TOTAL.....	465,000	8.65%	\$ 29.99	11/25/12	\$ 4,
All Employee Optionees.....	5,372,143	100%	Various	Various	\$54,

- (1) All option grants to the named executives are for a ten-year term. They become exercisable in four equal annual installments beginning one year from the date of grant. The option grants to the named executives were issued in tandem with limited SARs, which are exercisable only in the event of a tender offer for the Common Stock or a change in control of BD, each as defined in BD's Stock Option Plans.
- (2) This estimate of value has been developed solely for purposes of comparative disclosure in accordance with the rules and regulations of the Securities and Exchange Commission and is consistent with the assumptions BD is using for Statement of Financial Accounting Standards ('SFAS') 123 reporting. The estimated value has been determined by application of the Black-Scholes option pricing model, based upon the terms of the option grant and BD's

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stock price performance history as of the date of the grant. The key assumptions are as follows: dividend yield: 1.21%; volatility: 33.2%; risk-free rate of return: 3.66%; and expected exercise period: 6 years. No adjustment has been made for risk of forfeiture or limitations on transferability.

The assumptions used in the valuation are based upon experience, and are not a forecast of future stock price or volatility, or of future dividend policy.

NOVEMBER 2003 LONG-TERM INCENTIVE GRANTS

As more fully described in the Report of the Compensation and Benefits Committee on Executive Compensation, which begins on page 15, the Compensation and Benefits Committee (the 'Compensation Committee') has adopted changes to BD's long-term incentive compensation program for most members of the BD Leadership Team. Beginning in fiscal year 2004, stock options will generally be targeted to deliver approximately 40% of the overall value of long-term incentive compensation provided to these persons, as compared to 100% in fiscal year 2003. In addition, performance-based stock awards will generally be targeted to deliver approximately 40% of the value of long-term incentive compensation. The performance shares are keyed to BD's performance against pre-established performance targets over a three-year performance period. Restricted stock units will generally be targeted to deliver the remaining 20% of long-term incentive compensation.

To implement these changes, in November 2003, the Compensation Committee granted awards under the Stock Award Plan to certain members of the BD Leadership Team, including the named executives. The Stock Award Plan was used for this grant, as it authorizes awards somewhat similar to those that the Compensation Committee intends to award in the future. Under the Stock Award Plan, at least 25% of the shares subject to an award are to be deferred and distributed over a five-year period following retirement, involuntary separation or discharge other than for cause (such shares being referred to herein as the deferred shares). The remaining shares subject to an award are distributable beginning three years from the date of grant, as discussed below, subject to such conditions as may be set by the Compensation Committee (such shares being referred to herein as the performance shares).

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Set forth below is information regarding the long-term incentive compensation grants provided to the named executives in November 2003.

STOCK OPTION/DEFERRED SHARE GRANTS IN FISCAL YEAR 2004

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS GRANTED (1)	% OF TOTAL OPTIONS/SARS GRANTED TO EMPLOYEES TO DATE IN FISCAL YEAR	GRANT DATE PRESENT VALUE OF OPTION GRANTS (2)	NUMBER OF DEFERRED SHARES
----	-----	-----	-----	-----
Edward J. Ludwig.....	98,961	2.13%	\$ 1,313,212	13,835

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Gary M. Cohen.....	30,000	65%	398,100	4,194
John R. Considine.....	40,000	.86%	530,800	5,592
Vincent A. Forlenza....	26,000	.56%	345,020	3,635
William A. Kozy.....	26,000	.56%	345,020	3,635
	-----	-----	-----	-----
TOTAL.....	220,961	4.76%	\$ 2,932,152	30,891
All Employees.....	4,645,011	100%	\$61,639,296	46,268

-
- (1) The exercise price of all option grants to employees (including the named executives) in November 2003 was \$38.78. These grants are for a ten-year term, and become exercisable in four equal annual installments beginning one year from the date of grant. The option grants to the named executives were issued in tandem with limited SARs, which are exercisable only in the event of a tender offer for the Common Stock or a change in control of BD, each as defined in the 2002 Stock Option Plan.
- (2) The estimated value of the stock options granted in November 2003 has been determined by application of the Black-Scholes option pricing model, based upon the terms of the option grant and BD's stock price performance history as of the date of the grant. The key assumptions are as follows: dividend yield: 1.13%; volatility: 32.6%; risk-free rate of return: 3.86%; and expected exercise period: 6 years. No adjustments were made for risk of forfeiture or restrictions on transferability. The assumptions used in the valuation are based upon experience, and are not a forecast of future stock price or volatility, or of future dividend policy.
- (3) The dollar value of the deferred shares reflected in the above table is calculated by multiplying the number of deferred shares awarded by \$38.87, the closing price of the Common Stock on the date of grant. In determining the value of the deferred share component of the fiscal 2004 grants for purposes of BD's long-term incentive compensation program, an adjustment for risk of forfeiture was made by the Compensation Committee. No dividends will be paid or accrue on the deferred shares with respect to the periods prior to their distribution.

As described above, the deferred shares are distributable over a five-year period after retirement or other events. If the 2004 Employee and Director Equity-Based Compensation Plan is approved at the 2004 Annual Meeting, it is anticipated that restricted stock units issued under that plan (which are similar to deferred shares under the Stock Award Plan) will become fully vested and be distributed one year following such retirement or other events.

With respect to the above stock options grants, the named executives are required to hold 75% of the net, after-tax gain received upon exercise of the options in shares of BD stock for a period of one year following exercise.

PERFORMANCE SHARE GRANTS IN FISCAL 2004

NAME	NUMBER OF SHARES (2)	PERFORMANCE PERIOD UNTIL PAYOUT	ESTIMATED FUTURE PAYOUTS		
			THRESHOLD	TARGET	MAXIMUM
-----	-----	-----	-----	-----	-----
Edward J. Ludwig.....	41,504	(4)	0	41,504	103,000
Gary M. Cohen.....	12,582	(4)	0	12,582	31,000
John R. Considine.....	16,776	(4)	0	16,776	41,000

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Vincent A. Forlenza.....	10,904	(4)	0	10,904	27,
William A. Kozy.....	10,904	(4)	0	10,904	27,

- (1) Based on BD's performance against the pre-established performance targets (which are tied to revenue growth and average return on invested capital), the actual number of shares issuable may range from zero to 250% of the target amount.
- (2) Reflects the target number of shares under the grants.
- (3) In accordance with the terms of the Stock Award Plan, 25% of any shares issued in excess of the grantee's target amount will be treated as deferred shares and will be distributable only following retirement, involuntary separation or discharge other than for cause.
- (4) 60% of the performance shares issuable will be distributed on the third anniversary of the grant, and the remaining 40% will be distributed in two equal annual installments beginning on the fourth anniversary of the grant. The Compensation Committee also has

(footnotes continued on next page)

(footnotes continued from previous page)

the authority to defer the distribution of any performance shares otherwise issuable under a grant, to the extent the tax deduction for those shares would be limited under the Section 162(m) of the Internal Revenue Code. No dividends will be paid or accrue on the performance shares with respect to periods prior to their distribution.

If the 2004 Employee and Director Equity-Based Compensation Plan is approved at the 2004 Annual Meeting, future performance share grants will be issued under that plan, and it is anticipated that all performance shares issuable under future grants will be distributable upon completion of the performance period.

The named executives are required to hold up to 50% of any performance shares distributed under these grants (on an after-tax basis) to the extent they are not in compliance with BD's share ownership guidelines at the time of distribution. Additional information on the BD share ownership guidelines may be found on pages 18-19.

STOCK OPTION EXERCISES

The following table contains information relating to the exercise of stock options by the named executives in fiscal 2003, as well as the number and value of their unexercised options as of September 30, 2003.

AGGREGATED OPTION/SAR EXERCISES IN FISCAL YEAR 2003 AND
FISCAL YEAR-END OPTION/SAR VALUES

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	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED (MARKET VALUE LESS EXERCISE PRICE)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS/SARS AT FISCAL YEAR-END EXERCISABLE/UNEXERCISABLE	VALUE IN OPT FIS EXERCISABLE
	-----	-----	-----	-----
Edward J. Ludwig.....	46,428	\$1,232,908	1,077,728/445,000	\$11,3
Gary M. Cohen.....	0	0	411,430/128,750	3,7
John R. Considine.....	0	0	421,250/183,750	2,9
Vincent A. Forlenza.....	84,428	1,975,420	381,418/ 93,750	3,6
William A. Kozy.....	54,988	1,377,936	382,430/ 93,750	4,1

- (1) All option grants to the named executives are for a ten-year term. Options issued after November 2001 become exercisable over a four-year period (with 25% becoming vested on each anniversary of the date of grant). Options issued after 1996 and prior to November 2001 are exercisable 50% two years from the date of grant and 100% three years from the date of grant. All options issued to the named executives prior to 1997 were exercisable immediately. The above option grants were issued in tandem with limited SARs, which are exercisable only in the event of a tender offer for the Common Stock or a change in control of BD, as defined under BD's stock option plans.
- (2) The value of unexercised options represents the difference between the closing price of the Common Stock on September 30, 2003 (\$36.12) and the exercise price of each unexercised in-the-money option held by the named executives.

RETIREMENT PLAN

BD's Retirement Plan (the 'Retirement Plan') is a non-contributory defined benefit plan. It provides for normal retirement at age 65 and permits earlier retirement in certain cases. Benefits are based upon years of service and compensation (comprised of salary, commissions, bonuses and stock awards granted before January 1, 1994 ('Covered Compensation')) for the five consecutive calendar years which produce the highest average compensation. The Retirement Plan is integrated with Social Security.

The Code limits the maximum annual benefit which may be paid to any individual from the Retirement Plan's trust fund and the amount of compensation that may be recognized. Under BD's Retirement Benefit Restoration Plan (the 'Restoration Plan'), BD will make supplemental, unfunded payments to offset any reductions in benefits which may result from such limitations. BD's obligations to pay retirement benefits under the Restoration Plan, as well as deferred amounts under BD's Deferred Compensation Plan, are secured by a trust. The trust is currently secured by a letter of credit. The trustee is required to draw on the letter of credit, up to specified limits, following a change in control of BD (as defined in the trust agreement).

The table below shows the estimated annual retirement benefits payable under the Retirement Plan and the Restoration Plan at normal retirement date to all eligible employees, including the named executives, in specified remuneration and years of service classifications.

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ESTIMATED ANNUAL RETIREMENT BENEFITS

MAXIMUM AVERAGE COMPENSATION	YEARS OF CREDITED SERVICE						
	10	15	20	25	30	35	40
\$ 500,000	\$ 72,914	\$109,371	\$145,828	\$182,285	\$218,742	\$255,199	\$ 291,656
600,000	87,914	131,871	175,828	219,785	263,742	307,699	351,656
700,000	102,914	154,371	205,828	257,285	308,742	360,199	411,656
800,000	117,914	176,871	235,828	294,785	353,742	412,699	471,656
900,000	132,914	199,371	265,828	332,285	398,742	465,199	531,656
1,000,000	147,914	221,871	295,828	369,785	443,742	517,699	591,656
1,100,000	162,914	244,371	325,828	407,285	488,742	570,199	651,656
1,200,000	177,914	266,871	355,828	444,785	533,742	622,699	711,656
1,300,000	192,914	289,371	385,828	482,285	578,742	675,199	771,656
1,400,000	207,914	311,871	415,828	519,785	623,742	727,699	831,656
1,500,000	222,914	334,371	445,828	557,285	668,742	780,199	891,656
1,600,000	237,914	356,871	475,828	594,785	713,742	832,699	951,656
1,700,000	252,914	379,371	505,828	632,285	758,742	885,199	1,011,656
1,800,000	267,914	401,871	535,828	669,785	803,742	937,699	1,071,656
1,900,000	282,914	424,371	565,828	707,285	848,742	990,199	1,131,656

Covered Compensation includes all components of each named executive's Annual Compensation as set forth in the Summary Compensation Table on page 20 hereof. Amounts shown are calculated on a straight-life annuity basis, and are not subject to any further deduction for Social Security benefits or other offsets. Employees may elect to receive the actuarial value of their retirement benefits in a lump sum in lieu of a lifetime pension.

Under the Retirement Plan and the Restoration Plan, years of credited service as of December 31, 2003, and Covered Compensation for the calendar year ending December 31, 2003, will be 24 years and \$1,699,615 for Mr. Ludwig, 20 years and \$786,831 for Mr. Cohen, 4 years and \$989,807 for Mr. Considine, 23 years and \$709,846 for Mr. Forlenza, and 29 years and \$699,846 for Mr. Kozy.

In addition, Mr. Considine has an agreement with BD under which Mr. Considine is entitled to receive an annual supplemental pension benefit of \$86,900 in the event his employment is terminated before the age of 55. In the event Mr. Considine remains with BD beyond his 55th birthday, he will be entitled to receive an actuarially increased annual supplemental pension benefit. In addition, under a separate agreement, if Mr. Considine's employment is terminated prior to age 55 other than for cause or as a result of a voluntary termination, he will be entitled to participate in BD's retiree medical plan upon the attainment of age 55. If Mr. Considine remains employed by BD beyond his 55th birthday, he will be entitled to participate in the retiree medical plan following termination of his employment for any reason.

CONTRACTUAL OBLIGATIONS

Messrs. Ludwig, Cohen, Considine, Forlenza and Kozy have agreements with BD that provide for the continued employment of those executives for a period of three years following a change of control of BD. In the event of a termination by BD other than for cause, or by any of these executives for good reason, at any time during the three years following a change in control of BD, the named

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executive would receive a payment equal to three times the executive's annual compensation (salary and bonus), and certain of his fringe benefits (reduced to the extent provided by any subsequent employer) would be continued for not less than three years. In addition, in the event of termination by BD other than for cause, or by the named executive for good reason, within three years following a change in control, the named executive would be entitled to receive the actuarial equivalent of the additional pension benefits which the named executive would have earned had he remained an employee for an additional three years following termination. The terms 'cause,' 'good reason' and 'change in control' are defined in the agreements.

If any termination payments to a named executive pursuant to his agreement should be subject to the excise tax imposed by Section 4999 of the Code, BD would reimburse the named executive in an amount such that the named executive would retain the same amount, net of all taxes, that he would have retained had the excise tax not been in effect.

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PERFORMANCE COMPARISON

The graph below presents a comparison of cumulative total return to shareholders for the five-year period ended September 30, 2003 for BD, the S&P 500 Index, and for a peer group of companies, selected on a line-of-business basis (the 'Performance Peer Group').

The comparison period presented is required by applicable rules and regulations of the SEC. Cumulative total return to shareholders is measured by dividing total dividends (assuming dividend reinvestment) plus per share price change for the period by the share price at the beginning of the measurement period. BD's cumulative shareholder return is based on an investment of \$100 on September 30, 1998 and is compared to the cumulative total return of the S&P 500 Index and the weighted, average performance of the Performance Peer Group over the same period with a like amount invested.

The companies composing the Performance Peer Group are Abbott Laboratories, Bausch & Lomb Inc., Baxter International Inc., Beckman Coulter, Inc., Boston Scientific Corporation, Guidant Corporation, Johnson & Johnson, Medtronic, Inc., St. Jude Medical, Inc. and Stryker Corporation.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN AMONG BECTON, DICKINSON AND COMPANY, THE S&P 500 INDEX AND THE PERFORMANCE PEER GROUP

[GRAPH]

	BECTON, DICKINSON AND COMPANY	PERFORMANCE PEER GROUP	S&P 500
Sep 98	100	100	100
Dec 98	104.01	114.3	121.3
Mar 99	93.55	120.79	127.34
Jun 99	73.46	123.89	136.32
Sep 99	68.93	110.45	127.8
Dec 99	66.39	111.5	146.82
Mar 00	65.08	106.57	150.19

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Jun 00	71.18	131.03	146.2
Sep 00	65.83	132.1	144.78
Dec 00	86.45	142.8	133.45
Mar 01	88.42	126.27	117.63
Jun 01	89.84	133.62	124.52
Sep 01	93.11	143.27	106.24
Dec 01	83.67	156.44	117.59
Mar 02	95.45	160.18	117.92
Jun 02	87.42	130.45	102.12
Sep 02	72.32	131.61	84.45
Dec 02	78.4	134.94	91.6
Mar 03	88.24	137.49	88.72
Jun 03	99.79	142.8	102.38
Sep 03	93.04	141.41	105.08

PROPOSAL 2.

SELECTION OF INDEPENDENT AUDITORS

Ernst & Young LLP has been selected to audit the accounts of BD and its subsidiaries for the fiscal year ending September 30, 2004. A representative of Ernst & Young LLP will attend the Annual Meeting to respond to appropriate questions and will have the opportunity to make a statement.

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Fees billed to the Company by Ernst & Young LLP for services rendered during fiscal years 2003 and 2002 were as follows:

	2003	2002
	----	----
Audit Fees.....	\$3,340,600	\$2,635,000
Audit Related Fees.....	84,500	182,200
Tax Fees.....	981,500	1,066,200
All Other Fees.....	1,062,000	1,001,800
	-----	-----
Total.....	\$5,468,600	\$4,885,200

The Audit Committee considered, in reliance on management and the independent auditors, whether the provision of the services designated as 'All Other Fees' above is compatible with maintaining the independence of Ernst & Young LLP.

Certain prior year amounts have been reclassified to conform to the current presentation.

A substantial proportion of the professional services fees for the years ended September 30, 2003 and 2002 are denominated in a currency other than U.S. dollars. For comparison purposes, professional services fees for both periods have been translated at the exchange rates utilized for fiscal 2003, and are

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presented on a constant-currency basis.

'Audit Fees' for audit services in 2003 and 2002 include fees associated with the annual audit, the reviews of BD's quarterly reports on Form 10-Q, debt and stock option plan registration statements filed with the Securities and Exchange Commission and foreign regulatory bodies, and statutory audits required internationally.

'Audit Related Fees' in 2003 and 2002 consist of assurance and related services that are reasonably related to the performance of the audit or interim financial statement review and are not reported under Audit Fees. The services for fees disclosed in this category include benefit plan audits and other audit services requested by management which are in addition to the scope of the financial statement audit.

'Tax Fees' includes tax compliance, assistance with tax audits, tax advice and tax planning.

'All Other Fees' primarily relate to expatriate tax services.

Audit Committee Pre-Approval of Audit and Non-Audit Services

BD's Audit Committee is responsible for appointing BD's independent auditor and approving the terms of the independent auditor's services. The Audit Committee has established a policy for the pre-approval of all audit and permissible non-audit services to be provided by the independent auditor, as described below.

Audit Services. Under the policy, the Audit Committee is to appoint BD's independent auditor each fiscal year and pre-approve the engagement of the independent auditor for the audit services to be provided.

Non-Audit Services. In accordance with the policy, the Audit Committee has established detailed pre-approved categories of non-audit services that may be performed by the independent auditor during the fiscal year, subject to the dollar limitations set by the committee. The Audit Committee has also delegated to the Chair of the Audit Committee the authority to approve additional non-audit services to be performed by the independent auditor, subject to certain dollar limitations. All other non-audit services are required to be pre-approved by the Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP. IF RATIFICATION IS WITHHELD, THE BOARD WILL RECONSIDER ITS SELECTION.

PROPOSAL 3.

ADOPTION OF 2004 EMPLOYEE AND DIRECTOR EQUITY-BASED COMPENSATION PLAN

As discussed in the Report of the Compensation and Benefits Committee on Executive Compensation, which begins on page 15, the Compensation and Benefits Committee has adopted changes to BD's long-term incentive compensation program for certain BD executives. Prior to these changes, long-term incentive compensation consisted entirely of stock option grants. Beginning in fiscal year 2004, long-term incentive compensation for these persons will consist of some or all of the following: stock options, performance-based awards and restricted stock units. The purpose of these changes is to more closely align executive and

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shareholder interests, while at the same time rewarding executives for sustained long-term performance. It is also the Compensation and Benefits Committee's current intent to change the form of long-term incentive compensation awarded to certain other employees of BD, which may include some or all of the types of awards discussed above.

At the 2004 Annual Meeting, BD shareholders will be asked to approve the 2004 Employee and Director Equity-Based Compensation Plan (the '2004 Plan'). Approval of the 2004 Plan would provide BD the needed flexibility to implement the redesign of BD's long-term incentive compensation program, as it would broaden the types of equity-based awards that may be granted beyond those authorized under BD's existing equity compensation plans. The Board believes the 2004 Plan will allow BD to strategically align its compensation programs, and at the same time attract and retain outstanding individuals at all levels of BD's organization, thereby positioning BD for long-term success.

As discussed earlier in this proxy statement, non-management directors presently receive an annual grant of stock options. Also, as discussed earlier, it is the Board's intention to increase the amount of equity-based compensation to be received by BD's non-management directors. The 2004 Plan would authorize the grant of these and other equity-based awards to BD's non-management directors.

As of November 30, 2003, there was an aggregate 8,684,252 shares of Common Stock available for grant under BD's existing employee and director stock option plans and the Stock Award Plan. IF THE 2004 PLAN IS APPROVED, THESE PLANS WOULD BE TERMINATED (EXCEPT WITH RESPECT TO OUTSTANDING GRANTS), AND THE 2004 PLAN WOULD BE THE ONLY PLAN FROM WHICH NEW GRANTS OF STOCK OPTIONS AND OTHER EQUITY-BASED AWARDS WOULD BE MADE.

The 2004 Plan is being presented for shareholder approval to comply with certain regulatory requirements. If shareholders do not approve the 2004 Plan, it will not be adopted and no grants will be made under it. In such case, BD's existing stock option plans and the Stock Award Plan will remain in effect.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS APPROVE THE ADOPTION OF THE 2004 EMPLOYEE AND DIRECTOR EQUITY-BASED COMPENSATION PLAN.

The proposed 2004 Plan is attached as Appendix D to this proxy statement. The principal features of the 2004 Plan are summarized below.

Shares Available for Awards

Under the 2004 Plan, 9,000,000 shares of Common Stock will be available for issuance, subject to adjustment for stock splits and other events as set forth in the plan. As stated earlier, if the 2004 Plan is adopted, BD's existing stock option plans and the Stock Award Plan will be terminated with respect to future grants. As of November 30, 2003, there were 8,684,252 shares available for grants under these existing plans. Accordingly, the 2004 Plan will authorize 315,748 shares beyond what was authorized under these existing plans as of that date (although the 2004 Plan will also authorize types of awards not presently available under these existing plans). To the extent any outstanding stock option or award granted under a terminated plan is canceled or expires, the shares subject to the award will not be available for issuance under the 2004 Plan. The closing price of the Common Stock on December 18, 2003 was \$40.10.

If an award under the 2004 Plan is exercised or settled without the delivery by BD of the full number of shares underlying such award, only the net number of shares actually delivered to the Participant will be counted against the 2004 Plan's authorized shares. Also, shares underlying awards issued in assumption of

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or substitution for awards issued by a company acquired by BD ('Substitute Awards') will not reduce the number of shares remaining available for issuance under the 2004 Plan.

No participant may receive stock options and stock appreciation rights under the 2004 Plan relating to more than 250,000 shares of Common Stock, subject to adjustment as noted above, in any calendar year.

Eligibility and Participation

Any employee of BD, including any officer or employee-director, will be eligible to receive awards under the 2004 Plan. Additionally, any holder of an outstanding equity-based award issued by a company acquired by BD may be granted a Substitute Award under the 2004 Plan. BD had 24,783 employees as of September 30, 2003. Non-management directors of BD will also be eligible to participate in the plan. There are currently 10 non-management members of the Board of Directors.

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Administration of the 2004 Plan

The 2004 Plan will be administered by a committee of the Board consisting of not less than three directors (the 'Committee'). Each director on the Committee shall be 'independent', as required by the rules of the New York Stock Exchange. The Committee will have, among other powers, the power to interpret and construe any provision of the plan, to adopt rules and regulations for administering the plan, and to perform other acts relating to the plan, including, at the Committee's discretion, the delegation of any administrative responsibilities. Decisions of the Committee are final and binding on all parties.

The Committee will have the sole discretion to grant to eligible participants one or more equity awards, including options, restricted stock and restricted stock units, performance units, 'other stock-based awards' or any combination thereof. The Committee will have the sole discretion to determine the number or amount of any award to be granted to any participant.

Awards

General. Awards will 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, stock, other securities, other awards, other property or any combination thereof, as the Committee determines. Shares of stock deliverable under the plan may consist in whole or in part of authorized and unissued shares or treasury shares. No awards may be granted under the 2004 Plan after the tenth anniversary of its effective date.

Exercise Price. Except in the case of Substitute Awards, the exercise price of any stock option, the grant price of any stock appreciation right, and the purchase price of any security which may be purchased under any other stock-based award will not be less than 100% of the fair market value of the stock or other security on the date of the grant (with fair market value being determined in accordance with the procedures set by the Committee). The Committee may not amend an award to reduce the exercise, grant or purchase price of the award ('repricing'), except in connection with stock splits and other events, as described below.

Exercise of Award; Form of Consideration. The Committee will determine the

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times at which options and other purchase rights may be exercised and the methods by which and the forms in which payment of the purchase price may be made. No loans will be extended by BD to any participant in connection with the exercise of an award (although BD is permitted to maintain or establish broker-assisted 'cashless exercise' programs).

Stock Options. The duration of options granted under the 2004 Plan will be established by the Committee but may not exceed ten years. The Committee may impose a vesting schedule on options. Options are exercisable following termination of employment without cause for three months, to the extent such options were exercisable at the time of termination. In the case of retirement, death and disability, the options will become fully vested and otherwise remain in effect in accordance with their terms. All other options will lapse upon termination of employment. The Committee may establish provisions applicable upon termination of employment that differ from those contained in the 2004 Plan. Options granted under the 2004 Plan may be 'incentive stock options' ('ISOs'), which afford certain favorable tax treatment for the holder, or 'nonqualified stock options' ('NQSOS'). See 'Tax Consequences' below.

Restricted Stock; Restricted Stock Units. The Committee may impose restrictions on restricted stock and restricted stock units at its discretion. Except as otherwise provided by the Committee, upon death, disability or involuntary termination without cause, all restrictions on restricted stock and restricted stock units will lapse, and in the case of voluntary termination or involuntary termination with cause during the restriction period, all restricted stock and restricted stock units will be forfeited. The Committee may waive any restrictions if it finds a waiver to be in the best interests of BD.

Performance Units. Performance units will be granted and will vest upon the attainment of performance goals established by the Committee. The Committee will establish the performance criteria, the length of the performance period and the form and time of payment of the award. Upon retirement during the performance period, a holder of performance units will receive, following the expiration of such period, a pro-rata portion of the amount payable under the award.

Other Stock-Based Awards. The Committee may establish the terms and conditions of other stock-based awards, such as stock appreciation rights.

Performance Based Compensation Awards. Awards (other than options and stock appreciation rights) to certain senior executives will, if the Committee intends any such award to qualify as 'qualified performance based compensation' under Section 162(m) of the Internal Revenue Code, become earned and payable only if

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pre-established targets relating to one or more of the following performance measures are achieved during a performance period or periods, as determined by the Committee: (i) Return on Net Assets, (ii) Revenue Growth, (iii) Return on Common Equity, (iv) Total Shareholder Return, (v) Earnings Per Share, (vi) Net Revenue Per Employee, (vii) Market Share, (viii) Return on Invested Capital or (ix) Net Income (each as defined in the plan). Such targets may relate to BD as a whole, or to one or more units thereof, and may be measured over such periods, as the Committee shall determine. The maximum number of shares that may be earned pursuant to any such performance award is 150,000 shares.

Certain Adjustments. If the Committee determines that a recapitalization, stock split, or other corporate event or transaction (more fully described in Section 5(e) of the 2004 Plan) affects the Common Stock in such a way that an

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adjustment is appropriate to prevent dilution or enlargement of the benefits, or potential benefits, intended to be made available under the plan, the Committee may adjust: (i) the number and type of shares (or other securities or property) which may be available for awards, (ii) the number and type of shares (or other securities or property) subject to outstanding awards, and (iii) the grant, purchase or exercise price with respect to any award.

Transferability. Except as otherwise provided by the Committee, awards granted under the 2004 Plan are not transferable, other than by will or the laws of descent and distribution. An award will be exercisable during a participant's lifetime only by the participant or by the participant's guardian or legal representative.

Amendment and Termination

The Board of Directors may amend, discontinue or terminate the plan or any portion of the plan at any time. However, no change will be made without shareholder approval if shareholder approval is required to comply with any tax or regulatory requirement with which the Board deems it necessary or desirable to comply. Shareholder approval may also be required by New York Stock Exchange requirements for certain other amendments.

New Plan Benefits

Any awards under the plan will be at the discretion of the Committee. Therefore, it is not possible at present to determine the amount or form of any award that will be available for grant to any individual during the term of the 2004 Plan or that would have been granted during the last fiscal year had the 2004 Plan been in effect.

Tax Matters

The following discussion is a brief summary of the principal United States Federal income tax consequences under current Federal income tax laws relating to awards under the 2004 Plan. This summary is not intended to be exhaustive and, among other things, does not describe state, local or foreign income and other tax consequences.

Non-Qualified Stock Options. An optionee will not recognize any taxable income upon the grant of an NQSO and BD will not be entitled to a tax deduction with respect to the grant of an NQSO. Upon exercise of an NQSO, the excess of the fair market value of the underlying shares of Common Stock on the exercise date over the option exercise price will be taxable as compensation income to the optionee and will be subject to applicable withholding taxes. BD will generally be entitled to a tax deduction at such time in the amount of such compensation income. The optionee's tax basis for the shares received pursuant to the exercise of an NQSO will equal the sum of the compensation income recognized and the exercise price.

In the event of a sale of shares received upon the exercise of an NQSO, any appreciation or depreciation after the exercise date generally will be taxed as capital gain or loss and will be long-term capital gain or loss if the holding period for such shares is more than one year.

Incentive Stock Options. An optionee will not recognize any taxable income at the time of grant or exercise of an ISO while an employee (or within 90 days after termination of employment), and BD will not be entitled to a tax deduction with respect to such grant or exercise. Exercise of an ISO may, however, give rise to taxable compensation income subject to applicable withholding taxes, and a tax deduction to BD, if the ISO is not exercised while the optionee is employed by BD or within 90 days after termination of employment, or if the optionee subsequently engages in a 'disqualifying disposition,' as described

below. Also, the excess of the fair

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market value of the underlying shares on the date of exercise over the exercise price will be an item of income for purposes of the optionee's alternative minimum tax.

A sale or exchange by an optionee of shares acquired upon the exercise of an ISO more than one year after the transfer of the shares to such optionee and more than two years after the date of grant of the ISO will result in any difference between the net sale proceeds and the exercise price being treated as long-term capital gain (or loss) to the optionee. If such sale or exchange takes place within two years after the date of grant of the ISO or within one year from the date of transfer of the ISO shares to the optionee, such sale or exchange will generally constitute a 'disqualifying disposition' of such shares that will have the following results: any excess of (i) the lesser of (a) the fair market value of the shares at the time of exercise of the ISO and (b) the amount realized on such disqualifying disposition of the shares over (ii) the option exercise price of such shares, will be ordinary income to the optionee, subject to applicable withholding taxes, and BD will be entitled to a tax deduction in the amount of such income. Any further gain or loss after the date of exercise generally will qualify as capital gain or loss and will not result in any deduction by BD.

Restricted Stock. A grantee will not recognize any income upon the receipt of restricted stock unless the holder elects under Section 83(b) of the Code, within thirty days of such receipt, to recognize ordinary income in an amount equal to the fair market value of the restricted stock at the time of receipt, less any amount paid for the shares. If restricted stock for which a Section 83(b) election has been made is subsequently forfeited, the holder will not be able to recover any taxes that were paid as a result of such election. If the election is not made, the holder will generally recognize ordinary income, on the date that the restrictions to which the restricted stock is subject are removed, in an amount equal to the fair market value of such shares on such date, less any amount paid for the shares. At the time the holder recognizes ordinary income, BD generally will be entitled to a deduction in the same amount.

Generally, upon a sale or other disposition of restricted stock with respect to which the holder has recognized ordinary income (i.e., a Section 83(b) election was previously made or the restrictions were previously removed), the holder will recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or other disposition and the holder's basis in such shares. Such gain or loss will be long-term capital gain or loss if the holding period f