Table of Contents

Our sales effort allows us to deliver the full suite of Bausch + Lomb products to key clinician decision makers, recognize cross-selling opportunities for key products from other product categories and impact consumer purchasing decisions.

- Our sales representatives within the global consumer products and global vision care business categories are focused on promoting and selling our products to large and mid-sized retailers, pharmacies and eye care professionals as well as optimizing and expanding our shelf presence at retailers.
- Our sales representatives within the ophthalmic pharmaceuticals business category are focused on promoting and selling our products to wholesalers, large retailers, eye care professionals, independent pharmacies and hospitals
- Our sales representatives within the global surgical business category are focused on selling products and equipment to eye care professionals, physicians, including ophthalmic surgeons, hospitals and ambulatory surgery centers.

We reinforce our sales efforts and continue to drive demand and awareness of our brands and the clinical benefits of our products through multiple initiatives to both eye care professionals and consumers. These initiatives include the sponsorship of various industry congresses and symposia throughout the world. We also conduct training programs to provide eye care professionals with the latest information concerning clinical experience with our products. We provide and sponsor eye health education and programs for consumers. We continually seek input from eye care professionals through medical and scientific advisory boards to help us refresh and update all of these initiatives as well as to create new opportunities to provide our customers with the necessary resources to use our products safely and effectively.

No single customer accounted for 10% or more of our total revenue for 2021, 2020 or 2019.

Manufacturing and Supply

We manufacture the significant majority of our products at 24 manufacturing facilities in 10 countries worldwide, including the United States, Ireland, China, Germany, France and Italy, with the remainder of our production assigned to high quality third-party manufacturers. Our manufacturing facilities are generally organized based on product categories and tend to be specifically focused on manufacturing either pharmaceuticals, contact lenses, solutions or surgical devices due to the unique differences in regulatory requirements and technical skills required for the different product categories. Our manufacturing sites are clustered by business unit reporting and technology mapping. This organizational construct provides tight managerial control while permitting a strong focus on a limited set of technologies per business unit. We believe that our manufacturing facilities and relationships will support our potential capacity needs for the foreseeable future.

In addition, we have recently made and continue to make strategic investments in certain facilities, which manufactures our innovative and cost-effective contact lenses, the most significant of which are at two contact lens manufacturing facilities in Waterford, Ireland, and Rochester, New York, as well as at our Lynchburg, Virginia facility, which mainly manufactures and distributes out contact lens solution products.

To address the expected global demand for our SiHy Daily disposable contact lenses, in November 2018, we initiated $300 million of additional expansion projects to add multiple production lines to our Rochester and Waterford facilities. Constructions of these production lines has recently been completed and in early 2022, we commenced commercial production of certain of our latest contact lenses, Bausch + Lomb INFUSE® and Bausch + Lomb ULTRA® ONE DAY, at these facilities.

To further help us meet the anticipated demand of our contact lenses, in 2020 we initiated an expansion of our Lynchburg distribution center. The new facility will create new jobs over the next five years and expand the overall site to 200,000 square feet, which will provide distribution capabilities for medical devices, primarily contact lens products, and be the main point of distribution in the United States. This expansion program is expected to be completed in the second half of 2022.

To address the expected global demand for our Bausch + Lomb ULTRA® contact lens, in December 2017, we completed a multi-year, $220 million strategic upgrade to our Rochester facility. The upgrade increased production capacity in support of our Bausch + Lomb ULTRA® and SiHy Daily AQUALOX™ product lines and better supports the production of our other well-established contact lenses, such as our PureVision®, PureVision®2 (SVS, Toric, and Multifocal) and SofLens® 38.

To meet the forecasted demand for our Biotrue® ONEday lenses, in July 2017, we placed into service a $175 million multi-year strategic expansion project of the Waterford facility The emphasis of the expansion project was to (i) develop new technology to manufacture, automatically inspect and package contact lenses, (ii) bring that technology to full validation and (iii) increase the size of the Waterford facility. In July 2021, we announced plans to invest an additional $90 million to increase capacity at our Waterford facility to meet the expected demand for our Biotrue® ONEday range of daily disposable contact lenses. The new production lines are expected to be completed in 2023. If completed as planned, the recently announced expansion of our Waterford facility will be the fifth major expansion of our Bausch + Lomb manufacturing facilities in support of our efforts to increase market share in the contact lens market in the seven years ending 2023.

We believe the investments in our Waterford, Rochester and Lynchburg facilities and related expansion of labor forces further demonstrates the growth potential we see in our Bausch + Lomb products and our eye health business.

Our goal for manufacturing and supply is to deliver high quality products via reliable controls and robust processes. We are continuously working on improvement projects to optimize our manufacturing processes and reduce our product costs, resulting in better profitability and cash flow. Our strategic priorities include distinguishing Bausch + Lomb as a high quality producer, delivering service in excess of customer expectations, launching new products promptly and in full, achieving strategic and annual cost reductions, reducing manufacturing complexity, and designing a robust and competitive plant network.

As a result of our efforts, we are building a solid track record in quality compliance and a consistent record of performance in more efficient delivery and less wasteful production. Our manufacturing team has developed a strong partnership with our R&D team to design products that can be manufactured throughout a product's life cycle.

In the normal course of business, our products, devices and facilities are the subject of ongoing oversight and review, by regulatory and governmental agencies, including general, for cause and pre-approval inspections by the relevant competent authorities where we have business operations, including the FDA. Currently, all of our global operations and facilities have the relevant operational certificates. Through the date of this filing, the Company's operating sites are in good compliance standing, and all sites under FDA jurisdiction are rated as either No Action Indicated (where there was no Form 483 observation) or Voluntary Action Indicated (VAI) (where there was a Form 483 with one or more observations). In the case of VAI inspection outcomes, the FDA has accepted our responses to the issues cited in the Form 483, which will be verified when the agency makes its next inspection of those specific facilities. A Form 483 is issued at the end of each inspection when FDA investigators have observed any condition that in their judgment may constitute violations of current good manufacturing practice.

We use a diverse and broad range of raw materials in manufacturing our products. We purchase the materials and components for each of our product categories from a wide variety of suppliers. In order to manage any single-sourced suppliers we maintain sufficient inventory consistent with good practice and production lead-times. We believe that the loss of any one supplier would not adversely affect our business to a significant extent. To date, we have not experienced any significant difficulty in locating and obtaining the materials necessary to fulfill our production requirements.

Some of our products are provided by suppliers under a private label distribution agreement. Under these agreements, the supplier generally retains the intellectual property and exclusive manufacturing rights. The supplier private labels the products under the Bausch + Lomb brand for sale in certain fields of use and geographic territories. These agreements may be subject to minimum purchase or sales obligations. Our private label distribution agreements do not, individually or in the aggregate, represent a material portion of our business and we are not substantially dependent on them.

We also subcontract the manufacturing of certain of our products, including products manufactured under the rights acquired or licensed from other pharmaceutical companies. Products representing approximately 20% of our revenues for 2021 are produced in total, or in part, by third-party manufacturers under manufacturing arrangements.

In some cases, the principal raw materials, including active pharmaceutical ingredient, used by us (or our third-party manufacturers) for our various products are purchased in the open market or are otherwise available from several sources. However, some of the active pharmaceutical ingredients and other raw materials used in our products and some of the finished products themselves are currently only available from a single source; or others may in the future become available from only one source. For example, with respect to some of our largest or most significant products, the supply of the finished product for LUMIFY®, VYZULTA®, SofLens®, Ocuvite®, PreserVision®, renu®, and PureVision® products are only available from a single source and the supply of active pharmaceutical ingredient for each of our VYZULTA® product is also only available from a single source. Any disruption in the supply of any such single-sourced active pharmaceutical ingredient, other raw material or finished product or an increase in the cost of such materials or products could adversely impact our ability to manufacture or sell such products, the ability of our third-party manufacturers to supply us with such products, or our profitability We attempt to manage the risks associated with reliance on single sources of active pharmaceutical ingredient, other raw materials or finished products by carrying additional inventories or, where possible, developing second sources of supply. See "Risk Factors" of this prospectus for additional information on the risks associated with our manufacturing arrangements.

Trademarks, Patents and Proprietary Rights

The development of new and innovative products, as well as protecting the underlying intellectual property of our product portfolio, is important to our success in all areas of our business. We rely on a combination of contractual provisions, confidentiality policies and procedures and patent, trademark, copyright and trade secrecy laws to protect certain proprietary aspects of our technology and business. These legal measures afford limited protection and may not prevent our competitors from gaining access to our intellectual property and proprietary information. Our policy is to vigorously protect, enforce and defend our intellectual property and proprietary rights, as appropriate. Our commercial success will also depend in part on not infringing, misappropriating or otherwise violating the intellectual or proprietary rights of third parties. Some of our products either: (i) have no meaningful exclusivity protection via patent or marketing or data exclusivity rights or (ii) are protected by patents or regulatory exclusivity periods that will be expiring in the near future. See "Risk Factors" of this prospectus for additional information on the risks associated with our intellectual property and proprietary rights.

Trademarks

We believe that trademark protection is an important part of establishing product and brand recognition. We own or license a number of registered trademarks and trademark applications in the United States, Canada and in various other countries throughout the world. U.S. federal registrations for trademarks remain in force for 10 years and may be renewed every 10 years after issuance, provided the mark is still being used in commerce. Trademark registrations in Canada issued on or before June 17, 2019 remain in force for 15 years and may be renewed for 10-year terms, provided that, as in the case of U.S. federal trademark registrations, the mark is still being used in commerce. Trademark registrations in Canada issued after June 17, 2019 remain in force for 10 years and may be renewed every 10 years after issuance, provided that, as in the case of U.S. federal trademark registrations, the mark is still being used in commerce Other countries generally have similar but varying terms and renewal policies with respect to trademarks registered in those countries.

Data and Patent Exclusivity

For certain of our products, we rely on a combination of regulatory and patent rights to protect the value of our investment in the development of these products.

As of January 1, 2022, we own or exclusively license approximately 1,950 granted patents throughout the world, approximately 380 of which are U S patents Of our issued patents, approximately 70% will expire within the next 10 years and the remaining approximately 30% will expire thereafter Within the next three years, the following number of U.S. patents held by us is set to expire: approximately 25 patents in 2022, approximately 20 patents in 2023 and approximately 20 patents in 2024. The expiration of these patents is not expected to have a material adverse effect on our business. We currently have approximately 90 pending U.S. patent applications.

A patent is the grant of a property right which allows its holder to exclude others from, among other things, selling the subject invention in, or importing such invention into, the jurisdiction that granted the patent. In the United States, Canada and the European Union (EU), generally patents expire 20 years from the date of application. We have obtained, acquired or in-licensed a number of patents and patent applications covering key aspects of certain of our principal products. In the aggregate, our patents are of material importance to our business taken as a whole.

In the United States, the Hatch-Waxman Act provides non-patent regulatory exclusivity for five years from the date of the first FDA approval of a new drug compound in a NDA. The FDA, with one exception, is prohibited during those five years from accepting for filing a generic, or Abbreviated New Drug Application (ANDA), that references the NDA. In reference to the foregoing exception, if a patent is indexed in the FDA Orange Book for the new drug compound, a generic may file an ANDA four years from the NDA approval date if it also files a Paragraph IV Certification with the FDA challenging the patent. Protection under the Hatch-Waxman Act will not prevent the filing or approval of another NDA. However, the NDA applicant would be required to conduct its own pre-clinical trials and adequate and well-controlled clinical trials to independently demonstrate safety and effectiveness.

A similar data exclusivity scheme exists in the EU, whereby only the pioneer drug company can use data obtained at the pioneer's expense for up to eight years from the date of the first approval of a drug by the European Medicines Agency (EMA) and no generic drug can be marketed for ten years from the approval of the innovator product. Under both the United States and the EU data exclusivity programs, products without patent protection can be marketed by others so long as they repeat the clinical trials necessary to show safety and efficacy.

In the United States, the Biologics Price Competition and Innovation Act (BPCIA) allows companies to seek FDA approval to manufacture and sell biosimilar or interchangeable versions of brand name biological products. Due to the size and complexity of biological products, as compared to small molecule drugs, a biosimilar must be "highly similar" to the reference product with "no clinically meaningful differences" in safety, purity and potency between the two. The BPCIA provides reference product sponsors with 12 years (with potential for six additional months of pediatric exclusivity) of market exclusivity, but unlike the Hatch-Waxman Act which covers small molecules, it does not require reference product sponsors to list patents in an Orange Book equivalent and does not include an automatic 30-month stay of FDA approval upon the timely filing of a lawsuit. The BPCIA, however, does provide pre-litigation procedures for the parties to follow, including identification of relevant patents and each party's basis for infringement and invalidity. A biosimilar patent application cannot be filed until four years after the reference product is first licensed and a biosimilar cannot be launched, at the earliest (assumes no patent litigation or an adverse decision on all patents), until the expiration of the twelve years of data exclusivity from the approval of the reference product.

Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a disease or condition that affects populations of fewer than 200,000 individuals in the United States or a disease whose incidence rates number more than 200,000 where the sponsor establishes that it does not realistically anticipate that its product sales will be sufficient to recover its costs. The sponsor that obtains the first marketing approval for a designated orphan drug for a given rare disease is eligible to receive marketing exclusivity for use of that drug for the orphan indication for a period of seven years.

In Canada, the Patented Medicines (Notice of Compliance) Regulations (PM(NOC) Regulations) create a regime analogous to the U.S. Hatch-Waxman Act, and link the regulatory approval process for generic and biosimilar drugs to the adjudication of innovator patent rights. To be eligible for protection under the PM(NOC) Regulations, patents must first be listed on the Patent Register in connection with an innovator's drug submission to Health Canada A generic or biosimilar manufacturer must then provide notice to the innovator of its plans to market a drug that it compared to the innovator's patented drug in the Health Canada approval process. Within 45 days of receiving such a notice of allegation, an innovator drug company may commence patent infringement proceedings against the generic or biosimilar manufacturer. The commencement of an action by the innovator under the PM(NOC) Regulations may stay Health Canada's regulatory approval of the generic or biosimilar drug for a period of 24 months.

Canada also employs a data exclusivity regime for innovative drugs that provides an eight-year period of data protection from the date of market approval by Health Canada. An additional six months of data exclusivity is provided for drugs studied in clinical trials relating to use in pediatric populations. Drug submissions seeking approval based on a comparison to an innovative drug cannot be filed during the first six years of the data exclusivity period. Generic or biosimilar drug submissions remain on hold until expiry of the innovator's data protection term, unless the innovative product is a patented drug subject to further protection under the PM(NOC) Regulations. Canada has no distinct drug submission process for biosimilar or orphan drug products.

Proprietary Know-How

We also rely upon unpatented proprietary know-how, trade secrets and technological innovation in the development and manufacture of many of our principal products. However, the foregoing rights, technologies and information are difficult to protect. We seek to protect our proprietary rights through a variety of methods, including confidentiality and non-disclosure agreements and proprietary information agreements with vendors, employees, consultants and others who may have access to proprietary information.

These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. There can be no assurance that these agreements will be self-executing or otherwise provide meaningful protection for our trade secrets or other intellectual property or proprietary information, In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Government Regulations

Government authorities in the United States, at the federal, state and local level, in Canada, in the EU and in other countries extensively regulate, among other things, the research, development, testing, approval, clearance, manufacturing, labeling, post-approval monitoring and reporting, packaging, advertising and promotion, storage, distribution, marketing and export and import of pharmaceutical products and medical devices. As such, our products and product candidates are subject to extensive regulation both before and after approval. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with these regulations could result in, among other things, warning letters, civil penalties, delays in approving or refusal to approve a product candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Prior to human use, FDA approval (drugs (in the form of an NDA or ANDA for generic equivalents), biologics (in the form of a Biologics License Application (BLA)) and some medical devices) or premarket approval or marketing clearance (other devices) must be obtained in the United States, approval by Health Canada must be obtained in Canada, EMA approval (drugs) or a CE Marking (devices) and or registration under the MDR 2017/475 must be obtained for countries that are part of the EU and approval must be obtained from comparable agencies in other countries prior to manufacturing or marketing new pharmaceutical products or medical devices. Generally, preclinical studies and clinical trials of the products must first be conducted and the results submitted to the applicable regulatory agency (such as the FDA) for approval

In addition, with respect to medical devices, in April 2017, the European Commission adopted the MDR, which replaced the Medical Device Directive (MDD). Pursuant to the terms of the new regulations, in order to continue to market medical device products in the EU, such products must achieve compliance with these new regulations and be re-registered in the EU within a specified transition period, which, for a portion of products, ended as early as May 26, 2021. While EU law is applicable in Northern Ireland, the UK Medical Devices Regulations 2002/68 also need to be complied with in Great Britain. Medical device manufacturers who have CE marked devices will be able to continue to place them on the market in the whole of the United Kingdom (the "UK") until July 1, 2023 without a change in labeling. After that, devices destined for Great Britain will be required to follow the UK regulatory regime and to be labeled with the UKCA mark. Northern Ireland will, however, continue to accept CE marked devices. There are some extra hurdles for manufacturers who are based outside the UK, such as the requirement to appoint a UK Responsible Person ("UKRP") to take on certain regulatory responsibilities with respect to the Medicines and Healthcare products Regulatory Agency ("MHRA") and users or customers in the UK. To enable devices to be placed on the market in the UK after January 1, 2021 (even for CE marked devices), a UK manufacturer must register with the MHRA, as must a UKRP for an overseas manufacturer. Such registering entity will then register each of the devices for which they are responsible for placing on the market in the UK, whether in Great Britain or Northern Ireland. Until May 25, 2021, our products bearing a CE mark could be exported from the EEA to Switzerland. However, as of May 26, 2021, the EU no longer applies the Mutual Recognition Agreement between the EEA and Switzerland. Accordingly, legal manufacturers in Switzerland will be required to appoint a European Union authorized representative, and manufacturers outside of Switzerland will be required to appoint a Swiss authorized representative in compliance with the Medical Device Ordinance. As a consequence, we will be required to appoint an authorized representative in Switzerland in order to export our CE-marked medical devices to Switzerland beginning in January 2022 through August 2022, depending on the class of the device or system in question. Additionally, the name and address of the Swiss authorized representative must be placed on the packaging.

Regulation by other federal agencies, such as the Drug Enforcement Administration ("DEA"), and state and local authorities in the United States, and by comparable agencies in certain foreign countries, is also required. In the United States, the Federal Trade Commission (the FTC), the FDA and state and local authorities regulate the advertising of medical devices, prescription drugs, OTC drugs and cosmetics. The Federal Food, Drug and Cosmetic Act, as amended and the regulations promulgated thereunder, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, sale, distribution, advertising and promotion of our products.

Manufacturers of pharmaceutical products and medical devices are required to comply with manufacturing regulations, including current good manufacturing practices and quality system management requirements, enforced by the FDA and Health Canada, in the United States and Canada respectively, and similar regulations enforced by regulatory agencies in other countries and we face periodic audits of our facilities and plants and those of our contract manufacturers by the FDA and such other regulatory agencies. In addition, we are subject to price control restrictions on our pharmaceutical products in many countries in which we operate.

We are also subject to extensive U S federal and state health care marketing and fraud and abuse regulations, such as the federal False Claims Act, federal and provincial marketing regulation in Canada and similar regulations in foreign countries in which we may conduct our business. The federal False Claims Act imposes civil and criminal liability on individuals or entities who submit (or cause the submission of) false or fraudulent claims for payment to the government. The U.S. federal Anti-Kickback Statute prohibits persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal or state health care program such as the Medicare and Medicaid programs. Some state anti-kickback laws also prohibit such conduct where commercial insurance, rather than federal or state, programs are involved. Due to recent legislative changes, violations of the U.S. federal Anti-Kickback Statute also carry potential federal False Claims Act liability. In addition, in the United States and Canada, companies may not promote drugs or medical devices for "off-label" uses—that is, uses that are not described in the product's labeling and that differ from those that were approved or cleared by the FDA or Health Canada, respectively   and "off label promotion" in the United States has also formed the predicate for False Claims Act liability resulting in significant financial settlements. These and other laws and regulations, rules and policies may significantly impact the manner in which we are permitted to market our products. If our operations are found to be in violation of any of these laws, regulations, rules or policies or any other law or governmental regulation, or if interpretations of the foregoing change, we may be subject to civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs and the curtailment or restructuring of our operations, including consent orders or corporate integrity agreements.

In addition, the U.S. Department of Health and Human Services Office of Inspector General recommends, and increasingly states require pharmaceutical companies to have comprehensive compliance programs. Moreover, the Physician Payment Sunshine Act enacted in 2010 imposes reporting and disclosure requirements on device and drug manufacturers for any "transfer of value" made or distributed to prescribers and other health care providers. Failure to submit this required information may result in significant civil monetary penalties.

We are also subject to the FCPA, the Canadian Corruption of Foreign Public Officials Act and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Violations of these laws could result in criminal or civil penalties or remedial measures.

We are also subject to various state, federal and international laws and regulations governing the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HIPAA). HIPAA mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common health care transactions (e.g., health care claims information and plan eligibility, referral certification and authorization, claims status, plan enrollment, coordination of benefits and related information), as well as standards relating to the privacy and security of individually identifiable health information. These standards require the adoption of administrative, physical and technical safeguards to protect such information. Many states in which we operate have laws that protect the privacy and security of sensitive and personal information, including health-related information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Consumer Privacy Act (CCPA), which went into effect on January 1, 2020, imposes stringent data privacy and security requirements and obligations with respect to the personal information of California residents, including, among other things, new disclosures to California consumers and providing such consumers new data protection and privacy rights, including the ability to opt out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation. The CCPA has been amended from time to time, and, further a new privacy law, the California Privacy Rights Act (CPRA) was approved by California voters in the November 3, 2020 election. Effective starting January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced, and multiple states have enacted or are expected to enact similar laws. The effects on our business of the CCPA, CPRA and other similar state laws are potentially significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. State laws are changing rapidly and there is discussion in Congress of a new federal data protection and privacy law to which we may be subject.

Additionally, some statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers For example, laws in all 50 U.S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements.

Internationally, laws and regulations in many jurisdictions apply broadly to the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information. For example, in the European Economic Area (the EEA), the collection and use of personal data, including clinical trial data, is governed by the provisions of the General Data Protection Regulation (GDPR). The GDPR became effective on May 25, 2018, repealing its predecessor directive and increasing responsibility and liability of companies in relation to the processing of personal data of EU data subjects. The GDPR, together with national legislation, regulations and guidelines of the EU member states and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of the individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data. In July 2020, the Court of Justice of the European Union issued a decision that struck down the EU-U.S. Privacy Shield framework, which provided companies with a mechanism to comply with data protection requirements when transferring personal data from the EU to the United States and additionally called into question the validity of the European Commission's Standard Contractual Clauses, on which U.S. companies rely to transfer personal data from Europe to the United States and elsewhere. In September 2020, the Swiss Federal Data Protection and Information Commissioner issued an opinion that stated it no longer considers the Swiss-U.S. Privacy Shield adequate for the purposes of personal data transfers from Switzerland to the United States. These developments may result in European data protection regulators applying differing standards for, and requiring ad hoc verification of, transfers of personal data from Europe to the United States. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which contributes to the complexity of processing personal data in or from the EEA or United Kingdom. Guidance on implementation and compliance practices is often updated or otherwise revised.

Further, following the United Kingdom's withdrawal from the EU and the EEA, and the expiry of the transition period, companies have to comply with both the GDPR and the GDPR as incorporated into the United Kingdom national law, the Data Protection Act of 2018, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk. Beginning in

2021, the United Kingdom is a "third country" under the GDPR We may incur liabilities, expenses, costs and other operational losses under the GDPR and privacy laws of the applicable EU and EEA Member States and the United Kingdom in connection with any measures we take to comply with them.

We are also subject to Canada's federal *Personal Information Protection and Electronic Documents Act* (PIPEDA) and substantially similar equivalents at the provincial level with respect to the collection, use and disclosure of personal information in Canada. Such federal and provincial legislation impose data privacy and security obligations on our processing of personal information of Canadian residents. The federal and Alberta legislation include mandatory data breach notification requirements. Canada's Anti-Spam Legislation (CASL) also applies to the extent that we send commercial electronic messages from Canada or to electronic addresses in Canada. CASL contains prescriptive consent, form, content and unsubscribe mechanism requirements. Penalties for non-compliance with CASL are up to CAD $10 million per violation. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible they will be interpreted and applied in ways that will materially and adversely affect our business. The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Complying with all of these laws and regulations involves costs to our business, and failure to comply with these laws and regulations can result in the imposition of significant civil and criminal penalties, as well as litigation.

Successful commercialization of our products may depend, in part, on the availability of governmental and third-party payor reimbursement for the cost of our products. Third-party payors may include government health administration authorities, private health insurers and other organizations. In the United States, the EU and other significant or potentially significant markets for our products and product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, which has resulted in lower average realized prices In the United States, these pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare, Medicaid and health care reform, pharmaceutical reimbursement policies and pricing in general. In particular, sales of our products may be subject to discounts from list price and rebate obligations, as well as formulary coverage decisions impacting or limiting the types of patients for whom coverage will be provided. Various U.S. health care and other laws regulate our interactions with government agencies, private insurance companies and other third-party payors regarding coverage and reimbursement for our products. Failure to comply with these laws could subject us to civil, criminal and administrative sanctions. In countries outside the United States, the success of our products may depend, at least in part, on obtaining and maintaining government reimbursement because, in many countries, patients are unlikely to use prescription drugs that are not reimbursed by their governments. In addition, negotiating prices with certain governmental authorities for newly developed products can delay commercialization. In Canada and many international markets, governments control the prices of prescription pharmaceuticals, including through the implementation of reference pricing, price cuts, rebates, revenue-related taxes, tenders and profit control, and they expect prices of prescription pharmaceuticals to decline over the life of the product or as volumes increase.

See "Risk Factors" of this prospectus for additional information on the risks associated with these regulations and related matters.

Environmental and Other Regulation

We are subject to a broad range of federal, state, provincial and local environmental laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. These requirements include, among other matters, regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants, hazardous substances and waste into the environment. Compliance with environmental, health and safety laws and regulations could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations. If we fail to comply with these environmental, health and safety laws and regulations, including failing to obtain any necessary permits, we could incur substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to conduct or fund remedial or corrective measures, install pollution control equipment, reformulate or cease the marketing of our products or perform other actions. In the normal course of our business, such substances and waste may be released into the environment, which could cause environmental or property damage or personal injuries, and which could subject us to remediation obligations regarding contaminated soil and groundwater, potential liability for damage claims or to social or reputational harm and other similar adverse impacts. Under certain of these laws and regulations, we may be subject to joint and several liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or was legal at the time it occurred.

We are subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting, and labeling of our products and their raw materials. In the EU, the REACH regulations came into effect in 2007, with implementation rolling out over time. Registered chemicals then can be subject to further evaluation and potential restrictions. Since the promulgation of REACH, other countries have enacted or are in the process of implementing similar comprehensive chemical regulations. See "Risk Factors" of this prospectus for additional information.

To address these regulations and to respond to the rapid and ongoing developments and expectations relating to environmental, social and governance matters, we anticipate that we will adopt an integrated ESG program.

Competition

Our competitors include specialty and other large pharmaceutical companies, medical device companies, biotechnology companies, OTC companies and generic manufacturers, in the United States, Canada, Europe, Asia, Latin America, Middle East, Africa and in other countries in which we market our products. The market for Bausch + Lomb products is very competitive, both across product categories and geographies. In addition to larger diversified pharmaceutical and medical device companies, we face competition in the eye health market from mid-size and smaller, regional and entrepreneurial companies with fewer products in niche areas or regions.

Our sole focus on eye health with one of the most comprehensive portfolios in the industry enables us to reach a broader set of customers through coordinated delivery of solutions across the pharmaceutical, vision, and surgical product lines. Our major competitors include:

- in the vision care/consumer health care business unit: Allergan; Alcon; CooperVision; JNJ Vision; Santen Incorporated; and Vistakon, Inc.; and
- in the pharmaceuticals business unit: Allergan, Inc.; Novartis AG; Pfizer Inc.; Roche; Santen Incorporated; and Laboratoires Théa S.A., Aerie Pharmaceuticals; and
- in the surgical business unit: Alcon; AMO; and Carl Zeiss.

We sell a broad range of products, and competitive factors vary by product line and geographic area in which the products are sold. The principal methods of competition for our products include quality, efficacy, market acceptance, price, and marketing and promotional efforts.

See "Risk Factors" of this prospectus for additional information on our competition risks.

Table of Contents

Our Facilities

We own and lease a number of important properties. Our headquarters are located in Vaughan, Ontario. We own several manufacturing facilities throughout the United States. We also own or have an interest in manufacturing plants or other properties outside the United States, including in Canada, Mexico, and certain countries in Europe, North Africa, Asia and South America.

We consider our facilities to be in satisfactory condition and suitable for their intended use, although some limited investments to improve our manufacturing and other related facilities are contemplated, based on the needs and requirements of our business. Our administrative, marketing, research/laboratory, distribution and warehousing facilities are located in various parts of the world. We co-locate our R&D activities with our manufacturing at the plant level in a number of facilities. Our scientists, engineers, quality assurance/quality control professionals and manufacturing technicians work side-by-side in designing and manufacturing products that fit the needs and requirements of our customers, regulators and business units. We believe that we have sufficient facilities to conduct our operations during 2022. The following are our principal properties:

Location	Purpose	Owned or Leased	Approximate Square Footage
Corporate & Administration			
Vaughan, Ontario, Canada	Corporate headquarters and distribution facility	Leased	66,000
Bridgewater, New Jersey	Administration	Leased	310,000
Bausch + Lomb			
Rochester, New York	Offices, R&D and manufacturing facility	Owned	953,000
	Offices and facility	Owned	
Waterford, Ireland	R&D and manufacturing facility	Owned	500,000
Woodruff, South Carolina	Distribution facility	Leased	432,000
Jinan, China	Offices and manufacturing facility	Owned	418,000
Berlin, Germany	Manufacturing, distribution and office facility	Owned	339,000
Greenville, South Carolina	Manufacturing and distribution facility	Owned	314,000
Lynchburg, Virginia	Officers and distribution facility	Owned	224,000
Aubenas, France	Offices, manufacturing and warehouse facility	Owned	148,000
Macherio, Italy	Offices, R&D, manufacturing and warehouse facility	Owned	119,000
Beijing, China	Manufacturing	Owned	97,000

Human Capital Resources

As of December 31, 2021, BHC had approximately 19,600 employees located around the world. There are approximately 12,500 employees who are either part of the Bausch + Lomb Business in sales and marketing roles or are in production, R&D, or general and administrative positions primarily supporting the Bausch + Lomb Business.

Collective bargaining exists for some employees in several countries. BHC considers relations with employees to be good and have not experienced any work stoppages, slowdowns or other serious labor problems that have materially impeded business operations. During fiscal 2021, BHC did not experience any significant business disruption as a result of employee turnover.

Health, Safety and Wellness

Employees' health, safety, and wellness are important to us. With the COVID-19 outbreak, a focus by BHC in 2021 was continuing to protect the health and safety of employees and their families. Existing remote work policies were broadened in 2020 to enable global employees to work from home wherever possible. In circumstances where remote work was not possible (such as at manufacturing and distribution facilities) safety measures were implemented in 2020 to help prevent the spread of COVID-19 in the workplace, such as mandatory face coverings, social distancing, hand hygiene, plexiglass barriers, limited face-to-face meetings and other procedures as prescribed by global public health organizations, such as the WHO and U.S. Centers for Disease Control and Prevention.

In recognizing that physical, emotional and financial wellbeing are significant contributors to employees' success at work and home, we support employees in all aspects of their everyday life by centering programs and activities around these three pillars of wellbeing. Across each of these pillars, a range of resources are offered to help employees be healthy and feel successful in both their professional and personal lives, including through employee assistance programs.

Following the Separation, our focus will continue to be on our employees' health, safety and wellness and we intend to continue to enhance and implement policies and procedures to foster and support our employees.

Diversity and Inclusion

We are dedicated to fostering an inclusive work environment where everyone feels welcomed, supported and valued for their talents and contributions. The Bausch Health Diversity, Equity & Inclusion strategy centers on connecting employees to the Company, each other, and our communities to cultivate a sense of trust, respect and belonging for all.

We strive to advance candid conversations among employees about racism and expanding diversity and inclusion training and education for them Specifically, all employees have been provided with educational tools and resources to understand how to talk about these topics at work and training was introduced that is aimed at helping employees become more aware of unconscious biases.

We are focused on utilizing Employee Resource Groups to provide opportunities for professional growth, development and informal networking. There are several groups in place including The Bausch Health Women's Leadership Network, The LGBTQ+ Network, The Bausch Health Military Network Employee Resource Group and the Black and African Heritage Network.

Building off the efforts of BHC, following the Separation, we intend to continue to dedicate our time and resources to foster an inclusive work environment and support diversity and inclusion.

Talent Development and Total Rewards

We are committed to the development of employees and believe that our success coincides with employees' achievements of personal and professional goals. Through the Bausch Health Employee Development Framework, BHC endeavors to support employees' interests to grow to their full potential, achieve career goals, and contribute to the success of BHC. Employees are empowered to explore roles that are of interest and gain insights into their strengths and development needs. A variety of development programs are provided to support employees at every stage of their career and incorporate individual development plans that aim to help employees reach their career goals. BHC also has a robust, global succession planning process that allows BHC to define talent needs based on business strategy, identify talent and drive development and growth, strengthen the pipeline for critical leadership positions, and optimize talent deployment across the business.

BHC's total rewards philosophy is designed to attract, retain, motivate, and engage employees, providing comprehensive and market competitive compensation and benefit programs across our geographies. The compensation program includes base pay, short-term incentives, and long-term incentives. This program provides the opportunity for employees to earn more when objectives are delivered – both as a total company and individually. BHC also provides competitive benefit programs based on local practice in the countries where employees work. These programs include medical coverage, retirement benefits, paid time off, and life and other insurances.

Following the Separation, we intend to continue to focus on the development and growth of our employees and will establish a compensation philosophy that will continue to attract, retain, motivate and engage our employees.

Corporate Social Responsibility

In 2017, BHC established The Bausch Foundation, which supports initiatives aimed at disease prevention, improving patient outcomes, and community support related to core businesses. Additionally, it supports global relief efforts and those who need help in the communities in which we live and work.

BHC is committed to supporting patients who have lost employment health benefits due to the COVID 19 pandemic, and because it is important to continue prescribed treatments, BHC is proud to offer certain of BHC's prescription medicines through the Bausch Health Assistance Program. In the face of the COVID-19 pandemic, some people have financial obstacles that keep them from obtaining and continuing their prescribed treatments. The purpose of the Bausch Health Patient Assistance Program is to provide eligible unemployed patients in the U.S., who have lost their health insurance due to the COVID-19 pandemic, with certain of BHC's prescription products although their financial circumstances or insurance status may otherwise interfere with their ability to do so. If approved, patients will receive their BHC prescription product(s) at no cost to them for up to one year, and may be able to reapply to the program annually if they continue to meet eligibility requirements and have a valid prescription.

Following the Separation, we intend to continue to focus on our social responsibility efforts, including patient assistance.

Legal Proceedings

We are involved in legal proceedings from time to time in the ordinary course of our business. Based on information currently available and established reserves, we have no reason to believe that the ultimate resolution of any known legal proceeding will have a material adverse effect on our financial position, liquidity or results of operations. However, there can be no assurance that the outcome of any such legal proceeding will be favorable, and adverse results in certain of these legal proceedings could have a material adverse effect on our financial position, results of operations in any one reporting period, or liquidity. See Note 18 "LEGAL PROCEEDINGS" to our audited combined financial statements included elsewhere in this prospectus for further information.

Table of Contents

MANAGEMENT

Directors and Executive Officers

The following table sets forth the name, age and position, as of March 31, 2022, regarding our current directors and executive officers effective as of the launch of this offering.

Name	Age	Province or State and Country of Residence	Position
Joseph C. Papa	66	New Jersey, USA	Chief Executive Officer and Chairman
Sam A. Eldessouky	49	New Jersey, USA	Chief Financial Officer
Christina M. Ackermann	57	New York, USA	Executive Vice President & General Counsel and President, Ophthalmic Pharmaceuticals
Joseph F. Gordon	58	New Jersey, USA	President, Global Consumer, Surgical and Vision Care
Dr. Yehia Hashad	55	California, USA	Executive Vice President of Research & Development and Chief Medical Officer
Thomas W. Ross, Sr.	71	North Carolina, USA	Lead Director
Nathalie Bernier	58	Quebec, Canada	Director
Andrew C. von Eschenbach	80	Texas, USA	Director
Sarah B. Kavanagh	65	Ontario, Canada	Director
John A. Paulson	66	New York, USA	Director
Russel C. Robertson	74	Ontario, Canada	Director
Richard U. De Schutter	81	Arizona, USA	Director

The following includes certain information regarding our directors' and officers' individual experience, qualifications, attributes and skills, and brief statements of those aspects of our directors' backgrounds that led us to conclude that they should serve as directors.

Joseph C. Papa has served as our Chief Executive Officer of the Company and Chairman of the Board of Directors since January 2022. Mr. Papa has also served as Chairman of the Board of Director and Chief Executive Officer of BHC since May 2016. Mr. Papa has more than 35 years of experience in the pharmaceutical, healthcare and specialty pharmaceutical industries, including 20 years of branded prescription drug experience. He served as the Chief Executive Officer of Perrigo Company plc ("Perrigo") from 2006 to April 2016, where he also served as Chairman from 2007 to April 2016. Prior to joining Perrigo, Mr. Papa served from 2004 to 2006 as Chairman and Chief Executive Officer of the Pharmaceutical and Technologies Services segment of Cardinal Health, Inc. From 2001 to 2004, he served as President and Chief Operating Officer of Watson Pharmaceuticals, Inc. ("Watson"). Prior to joining Watson, Mr. Papa held management positions at DuPont Pharmaceuticals, Pharmacia/Searle and Novartis AG. Mr. Papa holds a BS in pharmacy from the University of Connecticut and an MBA from Northwestern University's Kellogg Graduate School of Management. Mr. Papa joined the board of directors of Prometheus Biosciences, Inc., a privately held biopharmaceutical company, in August 2020, and previously served as a director of Smith & Nephew plc, a publicly traded medical device company, from 2008 to April 2018. We believe Mr. Papa's extensive experience as a chief executive officer of a public company, where he demonstrated leadership capability and extensive knowledge of complex financial and operational issues facing large organizations, and his understanding of operations and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors.

Sam A. Eldessouky has served as Chief Financial Officer of the Company since January 2022. Mr. Eldessouky joined BHC in 2016 as senior vice president and corporate controller and was appointed Chief Financial Officer effective June 1, 2021 In his role at BHC, he was responsible for overseeing the global controllership functions, including financial reporting, regional finance and global policies. Previously, he served as senior vice president, controller and chief accounting officer for Tyco International plc from 2012 to 2016. During his tenure at Tyco, Mr. Eldessouky led the efforts to redesign the controller's organization and the implementation of Enterprise Performance Management framework, and he played a significant role in the wholesale turnaround of Tyco's business. He also played a key role in executing the spinoffs of Covidien and Tyco Electronics in 2006 and ADT NA and Flow Control in 2012. Prior to that, Mr. Eldessouky spent ten years at PricewaterhouseCoopers (PwC), where he held several roles of increasing responsibility and served in PwC's National Office providing technical accounting guidance on complex accounting matters. Mr. Eldessouky holds a Bachelor of Science in Accountancy from Ain Shams University and a master's degree in Accounting and Finance from the University of Liverpool. He is a Certified Public Accountant (inactive) and Chartered Global Management Accountant. He served as a member of the Board of Trustees of Financial Executives Research Foundation and Financial Executives International. Additionally, Mr. Eldessouky served as a member of the Global Preparers Forum, an external advisory body to the International Accounting Standards Board, from 2007 to 2013.

Christina M Ackermann has served as Executive Vice President & General Counsel and President, Ophthalmic Pharmaceuticals of the Company since January 2022. Ms. Ackermann has also served as Executive Vice President, General Counsel of BHC since August 2016, and from July 2020 as Head of Commercial Operations. Prior to joining BHC, Ms. Ackermann was part of the Novartis group of companies for 14 years, most recently serving as Senior Vice President, General Counsel for Alcon, where she was responsible for the Legal, Intellectual Property and Compliance functions. She previously served as Global Head, Legal and General Counsel at Sandoz, the generics division of Novartis, from 2007 to 2012. She joined Novartis Pharma in 2002 as Head, Legal Technical Operations and Ophthalmics and assumed the role of Head Legal General Medicine in July 2005. Before Novartis, Ms. Ackermann served in Associate General Counsel roles with Bristol Myers Squibb and DuPont Pharmaceuticals, as well as in private practice, where she focused on securities and mergers & acquisitions. Ms. Ackermann has been a director of Graybug Vision, Inc., a publicly traded biopharmaceutical company, since August 2020. Ms. Ackermann has a Post Graduate Diploma in EC Competition Law from King's College, the University of London, U.K., a Bachelor of Laws from Queen's University, Kingston, Canada, and attended York University, Toronto, Ontario, for her undergraduate studies in Math, Political Sciences and Fine Arts.

Joseph F. Gordon has served as President, Global Consumer, Surgical and Vision Care of the Company since January 2022. Mr. Gordon has also served as President & Co-Head Bausch + Lomb/International of BHC since August 2018. He previously served as President, Consumer and Vision Care of BHC from December 2016 through July 2018 and as General Manager of U.S. Consumer from August 2013 to November 2016. Prior to joining BHC in 2013, Mr. Gordon served in various positions with Bausch + Lomb, where he most recently served as Vice President, Sales and Marketing, Global Consumer from January 2011 to July 2013. Earlier in his career, he led sales and marketing organizations within Pfizer Inc., and Wyeth, a pharmaceutical company purchased by Pfizer Inc. in 2009. Mr. Gordon holds a Bachelor of Science in Economics from Rutgers University.

Dr. Yehia Hashad has served as Executive Vice President of Research & Development and Chief Medical officer of the Company since January 31, 2022. Dr. Hashad previously served as Senior Vice President and Head of R&D for Allergan Aesthetics (an Abbvie company) from May 2020 to August 2021. Prior to Allergan's acquisition of Abbvie, from 2010 until May 2020, Dr. Hashad held a number of executive R&D positions at Allergan plc, including Senior Vice President, Head of Global Clinical Development from April 2019 to May 2020, Vice President and Global Head of Clinical Development, Ophthalmology, Dermatology and Medical Aesthetics from May 2017 to May 2020, and Vice President and Global Head of the Ophthalmology and Retina therapeutic areas from September 2013 to April 2019. From 2005 to 2010, Dr. Hashad held positions at Novartis Pharma AG, where he served as a Global Program Medical Director for age-related macular degeneration-related treatments. Prior to that, from 1996 to 2005, Dr. Hashad held several positions at T3A Pharma Group. Dr. Hashad obtained his medical degree and Master of Science in Medical and Surgical Ophthalmology from Cairo University and a business degree from INSEAD in France. He currently serves on the board of Applied Genetic Technologies Corporation, a publicly traded clinical-stage biotechnology company. He previously served on the boards of The Glaucoma Research Foundation and the National Alliance of Eye and Vision Research and as board adviser for the University of California Irvine Research Center.

Thomas W. Ross, Sr. serves as the Lead Independent Director of the Company. Mr. Ross has also served on the Board of Directors of BHC beginning in March 2016 and was appointed BHC's Lead Independent Director in June 2016, and currently serves on BHC's Audit and Risk Committee and Nominating and Corporate Governance Committee. He served as the President of Volcker Alliance from July 2016 until December 31, 2021. He now serves as a Senior Advisor to the Volcker Alliance, where he also serves as a director. He is President Emeritus of the University of North Carolina ("UNC"), having served as President from January 2011 to January 2016. Mr. Ross was named the Sanford Distinguished Fellow in Public Policy at the Duke University Sanford School of Public Policy in 2016. Prior to becoming President of the UNC system, Mr. Ross served as President of Davidson College, Executive Director of the Z. Smith Reynolds Foundation, director of the North Carolina Administrative Office of the Courts, a Superior Court judge, chief of staff to U.S. Congressman Robin Britt, a member of the Greensboro, NC law firm Smith, Patterson, Follin, Curtis, James & Harkavy, and as an Assistant Professor of Public Law and Government at UNC Chapel Hill's School of Government. Mr. Ross holds a B.A. in Political Science from Davidson College and a J D from University of North Carolina School of Law We believe Mr Ross's extensive experience as president of a non profit and director and president of a university, where he demonstrated leadership capability and extensive knowledge of the inner-workings of large organizations qualify him to serve as a member of the Board of Directors.

Nathalie Bernier serves as an independent director of the Company. From August 2015 to September 2019, Ms. Bernier served as Chief Financial Officer and Senior Vice President Strategic and Business Planning of Public Sector Pension Investment Board, a large Canadian pension investment manager. Prior to this role, Ms. Bernier spent nearly 30 years as an Audit and Advisory Partner at Arthur Andersen LLP and KPMG from 1986 to 2015, including serving as Regional Managing Partner (Quebec) and as a member of KPMG's Canadian Leadership team. Ms. Bernier is currently a director of RF Capital Group Inc., a publicly traded company, where she serves as Chairperson of the risk committee and member of the audit committee. Ms. Bernier also currently serves as a director of the board of Canada Enterprise Emergency Funding Corporation, a Canadian Crown Corporation, where she serves as Chairperson of the audit committee. Ms. Bernier is also chairperson of the board of United Way of Greater Montreal Foundation, a charitable organization. Ms. Bernier holds a Bachelor of Commerce degree from McGill University. She is a Certified Public Accountant, a fellow of the Chartered Professional Accountants in Canada. We believe Ms. Bernier's extensive experience as a public company board member and financial and accounting expertise qualify her to serve as a member of the Board of Directors.

Andrew C. von Eschenbach serves as an independent director of the Company. He has also served on the board of BHC since October 2018. Dr. von Eschenbach has been the President of Samaritan Health Initiatives, Inc., a health care policy consultancy, and an Adjunct Professor at University of Texas MD Anderson Cancer Center, since 2010. From 2005 to 2009, Dr. von Eschenbach served as Commissioner of the U.S. Food and Drug Administration (the "FDA") He was appointed Commissioner of the FDA after serving for four years as Director of the National Cancer Institute at the National Institutes of Health. As a researcher, clinician and administrator, Dr. von Eschenbach served for twenty-six years at the University of Texas MD Anderson Cancer Center as Chairman of Urology, Director of the Prostate Cancer Research Program and Executive Vice President and Chief Academic Officer. He earned a B.S. from St. Joseph's University and a medical degree from Georgetown University School of Medicine in Washington, D.C. He completed his residency in surgery and urology at Pennsylvania Hospital and University of Pennsylvania, respectively, and his urologic oncology fellowship at University of Texas MD Anderson Cancer Center. Dr. von Eschenbach has served as a director of Radius Health, Inc., a publicly traded biopharmaceutical company, since January 2021. He has served as a director of Celularity, Inc., a publicly traded biotechnology company, and as a director of Wren Therapeutics, Ltd, a private biopharmaceutical company, since February 2018 and November 2019, respectively. Dr. von Eschenbach also been a member of the board of the Regan Udall Foundation of the FDA, a non-profit organization formed to advance regulatory science, since December 2018. We believe Dr. von Eschenbach's extensive leadership experience in the public sector and at prominent medical systems in the United States and his understanding of operations and healthcare strategy in challenging environments qualify him to serve as a member of the Board of Directors.

Sarah B. Kavanagh serves as an independent director of the Company. She has also served on the board of BHC since July 2016. From 2011 through May 2016, Ms. Kavanagh served as a Commissioner of the Ontario Securities Commission, where she also served as Chairperson of the audit committee starting in 2014. Between 1999 and 2010, Ms. Kavanagh served in various senior investment banking roles at Scotia Capital Inc. including Vice-Chair and Co-Head of Diversified Industries Group, Head of Equity Capital Markets, and Head of Investment Banking. Prior to Scotia Capital, she held several senior financial positions with operating companies. She started her career as an investment banker with a bulge bracket firm in New York. Ms. Kavanagh graduated from Harvard Business School with an MBA and received a Bachelor of Arts degree in Economics from Williams College. Since 2013, Ms. Kavanagh has been a director of Hudbay Minerals Inc., a publicly traded Canadian mining corporation, and a member of the board of trustees of WPT Industrial REIT, formerly a publicly traded open-ended real estate investment trust. In addition to her public company directorships, she is a director of AST and Cymax Technologies Group and also serves as a director of Sustainable Development Technology Canada. She completed the Directors Education Program at the Institute of Corporate Directors in 2011 We believe Ms, Kavanagh's extensive experience at the Ontario Securities Commission, where she demonstrated leadership capability and extensive knowledge of complex financial and public policy issues, and her understanding of Bausch's business and financial strategy in addition to her experience serving on the board of Bausch Health Companies Inc., qualify her to serve as a member of the Board of Directors.

John A. Paulson serves as an independent director of the Company. He has also served on the board of BHC since June 2017. Mr. Paulson is the President and Portfolio Manager of Paulson & Co. Inc., an SEC-registered investment management company specializing in global mergers, event arbitrage and credit strategies, which he founded in 1994. Prior to forming Paulson & Co. Inc., Mr. Paulson was a Partner of Gruss Partners and a Managing Director in mergers and acquisitions at Bear Stearns. Mr. Paulson graduated with a degree in finance from New York University in 1978 and his MBA from Harvard Business School in 1980. Mr. Paulson has been a director of BrightSphere Investment Group Inc., a publicly traded asset management holding company, since November 2018, and has served as Chairman since April 2020. He also currently serves as a member of the advisory board of Harvard Business School. Mr. Paulson previously served as a director of American International Group Inc., a multinational finance and insurance corporation, from May 2016 to June 2017. We believe Mr. Paulson's extensive experience as president and portfolio manager of an SEC-registered investment firm, where he demonstrated leadership capability and extensive knowledge of complex financial and operational issues, and his understanding of business and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors.

Russel C. Robertson serves as an independent director of the Company. He has also served on the board of BHC since June 2016. From 2013 through August 2016, Mr. Robertson served as Executive Vice President and Head, Anti-Money Laundering, at BMO Financial Group ("BMO"), a diversified financial services organization. Prior to that role, he served as Executive Vice President, Business Integration, at BMO Financial Group, and as Vice Chair at BMO Financial Corp. from 2011. He joined BMO as interim Chief Financial Officer, BMO Financial Group in 2008 and was appointed Chief Financial Officer, BMO Financial Group in 2009. Before joining BMO, Mr. Robertson spent over 35 years as a Chartered Public Accountant. In this capacity, he held various senior positions with a number of major accounting firms, including Vice Chair, Deloitte & Touche LLP in Toronto, Canada, from 2002 to 2008, and Canadian Managing Partner, Arthur Andersen LLP, from 1994 to 2002. Mr. Robertson holds a Bachelor of Arts degree (Honours) from the Ivey School of Business at the University of Western Ontario. Mr. Robertson has served on the board of Hydro One Limited, a publicly traded electricity transmission and distribution utility serving the Canadian province of Ontario, since August 2018, and since 2012 has served on the board of Turquoise Hill Resources, a publicly traded Canadian mineral exploration and development company. Mr. Robertson previously served on the board of Virtus Investment Partners, Inc., a multi-manager asset management business, from 2013 to August 2016. We believe Mr. Robertson's extensive experience as executive vice president of a large multinational financial corporation, where he demonstrated leadership capability and extensive knowledge of complex financial matters and his understanding of financial

Table of Contents

strategy in challenging environments in addition to his experience serving on the board of Bausch Health Companies Inc., qualify him to serve as a member of the Board of Directors.

Richard U. De Schutter serves as an independent director of the Company. He has also served on the board of BHC since January 2017. Mr. De Schutter is the owner of asset management firm L.B. Gemini, Inc., where he has served as President and director since 2000. He previously served as the Chairman and Chief Executive Officer of DuPont Pharmaceuticals Company from July 2000 until its acquisition by Bristol-Myers Squibb in October 2001. Mr. De Schutter was also a director and Chief Administrative Officer of Pharmacia Corporation, which was created through the merger of Monsanto Company and Pharmacia & Upjohn in 2000. Prior to this merger, Mr. De Schutter was a director, Vice Chairman and Chief Administrative Officer for Monsanto. From 1995 to 1999, he served as Chairman and Chief Executive Officer of G.D. Searle & Co., Monsanto's wholly-owned pharmaceutical subsidiary Mr De Schutter earned a Bachelor of Science degree in 1963, and a Master of Science Degree in Chemical Engineering in 1965 from the University of Arizona. Mr. De Schutter has served as a director of AuVen Therapeutics, a private equity company focused on the healthcare industry, since 2007, and as a director of Sermonix Pharmaceuticals Inc., a private biotechnology company, since April 2019. He previously served as Chairman of publicly traded pharmaceutical companies Incyte Corporation, from 2003 to 2015, and Durata Therapeutics, Inc., from 2012 to 2014. Mr. De Schutter also served as a director of Smith & Nephew plc, a publicly traded medical device company, from 2001 to 2014, during which time he also served as the Lead Independent Director from 2011 to 2014. We believe Mr. De Schutter's extensive experience as a chief executive officer of a public pharmaceuticals company, where he demonstrated leadership capability and extensive knowledge of complex financial and operational issues facing large organizations, and his understanding of operations and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors.

Board of Directors

Our Board of Directors consists of eight members. Our Articles provide that our Board of Directors shall consist of not fewer than three directors nor more than fifteen. The number of directors may be increased or decreased upon approval of the shareholders or, in certain circumstances and subject to our Articles, by a majority of the directors.

Our Board of Directors consists of one class. Directors who are elected at an annual meeting of shareholders shall hold office until the next annual meeting of shareholders and until their successors have been elected and qualified. Vacancies are filled by a vote of the remaining directors in office, and the person who is appointed to fill the vacancy holds office for the remainder of the term Vacancies created by removal by shareholders are filled by the shareholders at the meeting held to remove the director(s). In the interim between annual meetings of shareholders or of special meetings of shareholders called for the election of directors, subject to our articles, newly created directorships and any vacancies in the Board of Directors may be filled by the vote of the remaining directors then in office.

Our articles do not provide for cumulative voting in the election of directors, which means that the holders of a majority of the outstanding common shares can elect all of the directors standing for election, and the holders of the remaining shares are not able to elect any directors, subject to their rights under the Master Separation Agreement.

Following the coming into force of new amendments to the CBCA (which is expected to occur in 2022), and consistent with our proposed majority voting policy, the CBCA will require that in an uncontested election of directors at a shareholder meeting, the directors must be elected on an individual basis by majority vote. See "—Majority Voting Policy."

Director Independence

The Board of Directors believes that, in order to be effective, our Board of Directors must be able to operate independently of management. As described in our Corporate Governance Guidelines, a sufficient number of directors must satisfy the applicable tests of independence, such that the Board of Directors complies with all independence requirements under corporate and securities laws and stock exchange requirements applicable to the Company. The Corporate Governance Guidelines further provide that the Nominating and Corporate Governance Committee, as well as the Board of Directors, reviews the relationships that each director has with the Company in order to satisfy itself that these independence criteria have been met. On an annual basis, as part of our disclosure procedures, all directors will complete a questionnaire pertaining to, among other things, share ownership, family and business relationships, and director independence standards. The Board of Directors will then disclose in the Company's annual management proxy circular and proxy statement the identity of each of the independent directors and the basis for the Board of Directors' determination for each of the directors who are not independent.

The Board of Directors has determined that seven of our eight directors are "independent directors" within the meaning of applicable regulatory and stock exchange requirements in the United States and within the meaning of Canadian securities regulations, as none of them have a material relationship with the Company that could be reasonably expected to interfere with their exercise of independent judgment. The independent directors currently on the Board of Directors are: Thomas W. Ross, Sr., Nathalie Bernier, Andrew C. von Eschenbach, Sarah B. Kavanagh, John A. Paulson, Russel C. Robertson and Richard U. De Schutter. The Board of Directors has determined that Mr. Papa is not independent as a result of his service as the Company's Chief Executive Officer. See "Risk Factors—Risks Relating to the Separation—After the Separation, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in BHC, and some of our directors may have actual or potential conflicts of interest because they also serve as officers or directors of BHC."

None of our current directors have entered into employment, service or similar contracts with us, with the exception of Mr. Papa, whose employment agreement with BHC has been assigned to us in connection with this offering.

Controlled Company Exception

Because BHC will continue to beneficially own a majority of our common shares following the completion of this offering, we will be a "controlled company" within the meaning of the corporate governance requirements of the NYSE. Accordingly, we will be exempt from certain corporate governance requirements until such time we cease to be a "controlled company," including requirements that a majority of our Board of Directors consist of independent directors and having a compensation committee and a nominating and corporate governance committee that is composed entirely of independent directors. For at least some period following the completion of this offering, we may utilize these exemptions. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. If BHC completes the distribution of all of its remaining equity interest in us to the BHC shareholders, we will no longer be a "controlled company" within the meaning of the applicable rules of the NYSE. In the event that we cease to be a "controlled company" and our common shares continues to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods. For purposes of TSX rules, while we remain "majority controlled" we may take advantage of an exemption from the requirement to implement a majority voting policy. See "Management—Majority Voting Policy."

The "controlled company" exemption does not modify the independence requirements for our Audit and Risk Committee, and we intend to comply with the requirements of the Exchange Act, the NYSE listing requirements and applicable Canadian securities laws, which require that our Audit and Risk Committee have at least one independent director on the effective date of the registration statement relating to this offering, a majority of independent directors within 90 days following the effective date of the registration statement relating to this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering.

In Canada, NP 58-201 provides guidance on corporate governance practices, which reflect best practices established by the Canadian securities regulatory authorities but are not intended to be prescriptive. NP 58-201 provides, among other things, that (i) the board of directors of a reporting issuer should have a majority of independent directors; (ii) the chair of the board of directors should be an independent director; (iii) the board of directors should appoint a nominating committee composed entirely of independent directors; and (iv) the board of directors should appoint a compensation committee composed entirely of independent directors. NI 58-101 requires a company to disclose the extent to which it complies with the best practices set forth in NP 58-201. To the extent that we take advantage of the "controlled company" exemption of the NYSE, and as a result do not comply with NP 58-201, we will be required to explain why we do not comply with Canadian director independence standards.

Board of Directors Leadership Structure

Our Corporate Governance Guidelines provide that our Board of Directors may determine from time to time the most effective leadership structure for the Company, including whether the same individual should serve both as Chairman of the Board of Directors and the Chief Executive Officer.

Our Corporate Governance Guidelines also provide that, if the same individual serves as Chairman of the Board of Directors and Chief Executive Officer, or if the Chairman of the Board of Directors is otherwise not independent, our Board of Directors shall appoint a Lead Independent Director. Our independent directors will annually appoint a Lead Independent Director. Mr. Ross has been appointed to serve as Lead Independent Director.

The responsibilities of the Lead Independent Director are set forth in the Company's Position Description for the Lead Independent Director. These responsibilities include (i) fostering processes that allow the Board of Directors to function independently of management and encouraging open and effective communication between the Board of Directors and management of the Company; (ii) providing input to the Chairman on behalf of the independent directors with respect to Board of Directors agendas; (iii) presiding at all meetings of the Board of Directors at which the Chairman is not present, as well as regularly scheduled executive sessions of independent directors; (iv) in the case of a conflict of interest involving a director, if appropriate, asking the conflicted director to leave the room during discussion concerning such matter and, if appropriate, asking such director to recuse him or herself from voting on the relevant matter; (v) communicating with the Chairman and the Chief Executive Officer, as appropriate, regarding meetings of the independent directors and resources and information necessary for the Board of Directors to effectively carry out its duties and responsibilities; (vi) serving as liaison between the Chairman and the independent directors; (vii) being available to directors who have concerns that cannot be addressed through the Chairman; (viii) calling meetings of the independent directors, as needed or when appropriate; and (ix) performing other functions as may reasonably be requested by the Board of Directors or the Chairman In the event the Company appoints an independent Chairman of the Board of Directors, the responsibilities of the Lead Independent Director will be assumed by the independent Chairman of the Board of Directors.

Meetings of Independent Directors

The Corporate Governance Guidelines provide that at any meeting of the Board of Directors, the independent directors of the Board of Directors shall meet in executive session and that an opportunity shall be provided during the meeting for any member of the Board of Directors to make such a request. Consequently, the independent directors shall meet in executive sessions, chaired by our Lead Independent Director, at a majority of our Board of Directors meetings.

Meetings of the Board of Directors

The Board of Directors shall meet regularly, at least four times per year, including at least once annually to review our strategic plan. Additional meetings can be called as deemed necessary. All agendas for Board of Directors and Board of Directors committee meetings are set by the Chairman of the Board of Directors in consultation with the Board of Directors committee Chairpersons, as necessary. As required by the Company's by-laws, at least 50% of the directors then in office must be present in order to transact business at any Board of Directors meeting, and, subject to certain exceptions, the CBCA requires that at least 25% of the directors present be resident Canadians (as defined in that statute). Directors are expected to attend and participate in substantially all meetings of the Board of Directors and of all committees on which they serve.

Charter of the Board of Directors

The Board of Directors is responsible for the overall stewardship of the Company and its business, including supervising the management of the Company's business and affairs. The Board of Directors discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board of Directors and to our officers. Under the charter of the Board of Directors (the "Board Charter"), the Board of Directors has established committees to assist with its responsibilities. Our current standing Board of Directors committees are the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee

Under the Board Charter, the Board of Directors is responsible for, among other things, the following corporate governance-related matters: (i) overseeing the Company's performance and the quality, depth and continuity of management needed to meet the Company's strategic objectives; (ii) developing and approving the Company's approach to and practices regarding corporate governance; (iii) succession planning; (iv) overseeing orientation and education programs for new directors and ongoing education opportunities for continuing directors; (v) reviewing, discussing and approving the Company's strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure preserve and enhance the business of the Company and the Company's underlying value; (vi) approving and assessing compliance with all significant policies and procedures by which the Company is operating, including the Company's Standards of Business Conduct (as described below); (vii) reviewing the Company's principal risks and assessing whether appropriate systems are in place to manage such risks; and (viii) ensuring the integrity and adequacy of the Company's internal controls.

Board Diversity

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has adopted a formal written Board Diversity Policy. The objective of the Board Diversity Policy is to require the Board and the Nominating and Corporate Governance Committee to consider of a wide range of attributes, competencies, characteristics, experiences and backgrounds, including specifically considering the number of women on the Board of Directors, when reviewing the composition of the Board of Directors in the director nomination and re-nomination process. The key provisions of the Board Diversity Policy emphasize the Company's view on the benefits of diverse backgrounds and the need to consider diversity in evaluating the needs of the Board of Directors. The Nominating and Corporate Governance Committee oversees and annually evaluates the implementation and effectiveness, both as measured annually and cumulatively, of the Board Diversity Policy in conjunction with its director evaluation and nomination process. The Nominating and Corporate Governance Committee assesses the effectiveness of the Board Diversity Policy by reference to, among other things, the extent to which the current Board of Directors and the nominees for election to the Board of Directors reflect the stated objectives of the Board Diversity Policy. The Board Diversity Policy provides that any search firm engaged to assist in identifying candidates for appointment to the Board of Directors will be directed to consider the desire of the Company to have its Board of Directors reflect diversity as contemplated by the policy, including the number of women directors.

The Company has proposed to achieve a target of 30% of women and/or minority representation on the Board of Directors by the end of 2024. Of the individuals who will serve as directors of the Company following the Separation, two directors, representing 25% of our directors, will be women. The Company anticipates that following the Separation, one executive officer, representing 20% of our executive officers, will be a woman.

Position Descriptions

The Board of Directors has developed written position descriptions for the Chairman of the Board of Directors, the Chief Executive Officer, the Lead Independent Director, and the Chairpersons of each of the Audit and Risk Committee, the Nominating and Corporate Governance Committee and the Talent and Compensation Committee.

Orientation and Continuing Education

The Nominating and Corporate Governance Committee oversees the Board of Directors' continuing education program, which was developed to assist directors in maintaining or enhancing their skills and abilities as directors and updating their knowledge and understanding of the Company and the pharmaceutical industry. New directors will be oriented to the roles of the Board of Directors and individual directors and the business and affairs of the Company through discussions with the incumbent directors and the Company's management by periodic presentations from senior management on major business, industry and competitive issues. Management and outside advisors will provide information and education sessions to the Board of Directors and its committees as necessary to keep the directors up-to-date with, among other things, (i) disclosure and corporate governance requirements and best practices; (ii) the Company, its business and the environment in which it operates, and (iii) developments in the responsibilities of directors. The Board of Directors may invite representatives of various business units to Board of Directors meetings to discuss business strategy and market analysis, as well as make on-site visits of the operations of the Company at the various facilities of the Company. Directors may also attend outside conferences and seminars that are relevant to their roles at the Company's expense, with the approval of the Chairman of the Board of Directors.

Majority Voting Policy

In accordance with the requirements of the TSX, our Board of Directors has adopted a majority voting policy to the effect that a nominee for election as a director of our Company who does not receive a greater number of votes "for" than votes "withheld" with respect to the election of directors by shareholders will be expected to tender his or her resignation to the Chairman of our Board of Directors immediately following the meeting of shareholders at which the director was elected. The Nominating and Corporate Governance Committee will consider such resignation and make a recommendation to our Board of Directors whether to accept it or not. Our Board of Directors will promptly accept the resignation unless it, in consultation with the Nominating and Corporate Governance Committee, determines that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. Our Board of Directors will make its decision and announce it in a press release within 90 days following the applicable meeting of shareholders. A copy of this press release will be filed with the TSX. A director who tenders a resignation pursuant to our majority voting policy will not participate in any meeting of our Board of Directors or the Nominating and Corporate Governance Committee at which the resignation is considered. Our majority voting policy applies for uncontested director elections, which are elections where (a) the number of nominees for election as director is the same as the number of directors to be elected, as determined by the Board of Directors, and (b) no proxy materials are circulated in support of one or more nominees who are not part of the director nominees supported by the Board of Directors. After the new CBCA amendments discussed below come into force, we will amend our majority voting policy to conform to the requirements of those regulations.

Following the coming into force of new amendments to the CBCA (which is expected to occur in 2022), the CBCA will require that in an uncontested election of directors at a shareholder meeting, the directors must be elected on an individual basis by majority vote. However, unlike TSX requirements, if shareholders vote against a director nominee, that nominee is not elected as a director and the board has no discretion to appoint that nominee to serve on the board except in limited circumstances—that is, if that nominee is needed to meet the corporation's obligations under the CBCA to have at least two directors who are not officers or employees of the corporation or its affiliates or to meet the minimum Canadian residency requirements for directors.

Ethical Business Conduct

Standards of Business Conduct

We have adopted a written code of business conduct and ethics, the Standards of Business Conduct (the "Standards"), that applies to all employees (including our officers) and directors of the Company and its worldwide subsidiaries. Among other things, the Standards are designed to deter wrongdoing and promote honest and ethical conduct, including (i) the ethical handling of actual or apparent conflicts of interest; (ii) full, fair, accurate, timely and understandable public disclosure; (iii) compliance with applicable laws and regulations; (iv) protection of the Company's assets; and (v) maintaining a harassment-free work environment.

Our employees and directors are required to maintain an understanding of, and ensure their compliance with, the Standards Supervisors are responsible for maintaining awareness of the Standards, and for reporting any deviations from the Standards. The Standards also require the Company to conduct regular audits to test compliance with the Standards. Subject to Board of Directors approval, responsibility for the establishment and periodic review and update of the Standards falls within the mandate of the Audit and Risk Committee.

All individuals subject to the Standards are obligated to promptly report violations and potential violations of law, the Standards, or policies of the Company referenced in the Standards. Such violations or suspected violations may be reported to the appropriate Company representative, or anonymously and confidentially through the Company's business ethics hotline. All potential violations must in turn be reported to the Company's General Counsel or Chief Compliance & Ethics Officer. The Board of Directors has established reporting procedures in order to encourage employees and directors to raise concerns regarding matters addressed by the Standards on a confidential basis free from discrimination, retaliation or harassment. Employees of the Company who violate the Standards may face disciplinary actions, including dismissal.

Code of Ethics

Our Standards also include a Code of Ethics for the Chief Executive Officer and Senior Finance Executives (the "Code of Ethics"), which is designed to deter wrongdoing and promote (i) honest and ethical conduct in the practice of financial management, (ii) full, fair, accurate, timely and understandable disclosure, and (iii) compliance with all applicable laws and regulations. Violations of the Code of Ethics are reported to the General Counsel or Chief Compliance & Ethics Officer. Failure to observe the terms of the Code of Ethics may result in disciplinary action, including dismissal.

The foregoing description of the Standards, including the Code of Ethics, is intended as a summary only, and does not purport to be complete. It is subject to, and qualified in its entirety by, reference to all of the provisions of the Standards.

We intend to satisfy any disclosure requirements regarding amendments to, or waivers of, any provision of the Standards, including the Code of Ethics, by posting such information on the Company's website.

Directors' Share Ownership

To support the alignment of directors' interests with our interests and those of our shareholders, the Board of Directors have adopted share ownership guidelines for our non-employee directors. The directors' share ownership guidelines, which are set forth in our Corporate Governance Guidelines, provide that each non-employee director is expected to hold or control common shares, vested restricted or deferred share units, or a combination thereof, valued at five (5) times the annual Board of Directors cash retainer not later than the fifth anniversary of his or her election or appointment to the Board of Directors. Based on the current annual cash retainer of the Board of Directors of $80,000, the minimum value of equity each of our non-employee directors are required to hold is $400,000.

Our CEO is excluded from the share ownership guidelines for non-employee directors. He is subject to share ownership guidelines established by our Talent and Compensation Committee, as further discussed in the section titled "Executive Compensation—Compensation Discussion and Analysis – Other Compensation Governance Practices – Share Ownership Guidelines."

Risk Oversight

Our Board of Directors participates in risk management oversight, with a view of supporting the achievement of organizational objectives, including strategic objectives, improving long-term organizational performance and enhancing shareholder value. In addition, the Audit and Risk Committee assists the Board of Directors in monitoring and overseeing the Company's Standards and risk management, including with respect to cybersecurity risks, provides oversight for the Company's global ethics and healthcare compliance program, and oversees the Company's receipt and handling of business ethics reports received pursuant to the Company's Business Ethics Reporting Program. Various other committees of the Board of Directors also have responsibility for monitoring risk management in specific areas. For example, the Talent and Compensation Committee annually reviews and discusses with management the relationship between the Company's compensation policies and practices and its risk management, including the extent to which those policies and practices create risks for the Company. In addition, the Nominating and Corporate Governance Committee periodically provides oversight with respect to risks associated with our corporate governance policies and practices, including our Corporate Governance Guidelines. The Nominating and Corporate Governance Committee also oversees and reviews evaluations of the Board of Directors and each of our Board of Directors committees.

Under the supervision of our Board of Directors, our management is responsible for assessing and managing our exposure to various risks Upon completion of this offering, we will have a global Enterprise Risk Management ("ERM") office. The objectives of the ERM office include, but are not limited to, managing known risks through assessments and action plans, identifying emerging risks and reporting on the ERM process and risk findings to the Audit and Risk Committee on a quarterly basis.

Board of Directors Committees

The Board of Directors currently has the following three standing committees: the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee. The specific responsibilities of each of the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee are identified in the respective committee's charter.

The table below sets forth each of our director's membership on our standing Board of Directors committees:

Audit and Risk Committee	Talent and Compensation Committee	Nominating and Corporate Governance Committee
Sarah B. Kavanagh (Chairperson)	Richard U. De Schutter (Chairperson)	Thomas W. Ross, Sr. (Chairperson)
Nathalie Bernier	Russel C. Robertson	Sarah B. Kavanagh
Russel C. Robertson	John A. Paulson	Andrew C. von Eschenbach

Audit and Risk Committee

The Audit and Risk Committee is comprised of three independent directors: Sarah B. Kavanagh, Russel C. Robertson and Nathalie Bernier. The responsibilities, powers and operation of the Audit and Risk Committee are set out in the written charter of the Audit and Risk Committee. Pursuant to the Audit and Risk Committee Charter, each member of the Audit and Risk Committee is an independent director as defined and required by applicable regulatory and stock exchange rules. The Board of Directors has concluded that each member of the

Audit and Risk Committee is “financially literate” as defined under National Instrument 52-110—Audit Committees and as required under NYSE rules, and each of Sarah B. Kavanagh, Nathalie Bernier and Russel C. Robertson qualify as an “audit committee financial expert” under the regulations promulgated by the SEC. Our Audit and Risk Committee also consists of directors who are independent as required by applicable Canadian securities regulations and the TSX Company Manual, subject to the permitted phase-in period afforded by such rules.

The Audit and Risk Committee operates pursuant to the Audit and Risk Committee Charter. Its responsibilities include, among other things, responsibility for reviewing and recommending to the Board of Directors our annual financial statements and management discussion and analysis of results of operation and financial condition (“MD&A”) and reviewing and approving our interim financial statements and MD&A. As contemplated in the Audit and Risk Committee Charter, the Audit and Risk Committee will periodically meet with our internal auditor and with our external auditors without management being present The Audit and Risk Committee will also recommend to the Board of Directors the external auditors to be nominated for approval by the Company’s shareholders, as well as the compensation of the external auditors. The Audit and Risk Committee Charter provides that the Audit and Risk Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing practices.

In accordance with the Audit and Risk Committee Charter, the Audit and Risk Committee also provides assistance to the Board of Directors in fulfilling its oversight function, including with respect to: (i) the quality and integrity of our financial statements; (ii) compliance with our Standards, and legal and regulatory requirements, including with respect to disclosure of financial information; (iii) the qualifications, performance and independence of our external auditor; (iv) the performance of our senior finance employees and internal audit function; (v) internal controls and certifications; (vi) monitoring the appropriateness and effectiveness of the Company’s risk management systems and policies, including evaluating on a regular basis the effectiveness and prudence of senior management in managing the Company’s operations and the risks to which it is exposed; and (vii) overseeing the Company’s compliance programs, policies and procedures, and investigating compliance matters.

The Audit and Risk Committee Charter provides that no member of the Audit and Risk Committee may hold 10% or more of the Company’s outstanding common shares or serve simultaneously on the audit committee of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair his or her ability to serve effectively on the Audit and Risk Committee.

Talent and Compensation Committee

The Talent and Compensation Committee is comprised of three independent directors: Richard U. De Schutter, John A. Paulson and Russel C. Robertson. The responsibilities, powers and operation of the Talent and Compensation Committee are set out in the written charter of the Talent and Compensation Committee. In accordance with the Talent and Compensation Committee Charter, each member of the Talent and Compensation Committee is an independent director as defined and required by applicable regulatory and stock exchange rules.

As described in the Talent and Compensation Committee Charter, the key responsibilities of the Talent and Compensation Committee include: (i) reviewing and approving corporate goals and objectives in connection with the compensation of our Chief Executive Officer, evaluating the Chief Executive Officer’s performance in light of those goals and objectives, and (either as a committee or together with the other independent directors who satisfy the independence, “non-employee” and “outside director” requirements under the Talent and Compensation Committee Charter) determining and approving the compensation of the Chief Executive Officer based on such evaluation; (ii) reviewing and approving each element of total compensation for all officers (as such term is defined in Rule 16a-1(f) under the Exchange Act); (iii) reviewing and approving arrangements with executive officers relating to their employment relationships with us; (iv) reviewing talent management and succession planning materials for key roles; (v) providing strategic supervision of our benefit plans, programs and policies; and (vi) reviewing and recommending to the Board of Directors for approval the Compensation Discussion & Analysis to be included in the Company's annual management proxy circular and proxy statement and/or annual report on Form 10-K, and preparing the Talent and Compensation Committee Report.

Compensation

The Talent and Compensation Committee has the authority to retain and compensate any consultants and advisors it considers necessary to fulfill its mandate. It shall, annually or on an as-needed basis, specify the work to be performed by, and agree on the associated fees to be paid to the compensation consultants. It shall also review annually the work performed and fees paid. In addition, the Talent and Compensation Committee Charter provides that the Talent and Compensation Committee shall report to the Board of Directors, on an annual basis, the nature of any additional work or non-Board of Directors based services conducted by any such compensation consultant and associated fees paid, if approved by the Chairperson of the Talent and Compensation Committee.

Periodically, and at least annually, the Talent and Compensation Committee will select and retain independent consultants to conduct comprehensive reviews and assessments of our policies, procedures and internal controls for setting compensation of the Chief Executive Officer and other members of senior management. The consultant prepares and submits relevant information and analyses to the Talent and Compensation Committee. The independent consultants' services included the following: (i) periodically reviewing our executive compensation programs, including base salary, short-term incentives, equity-based incentives, total cash compensation levels and total direct compensation of certain senior positions, against those of a peer group; (ii) advising the Talent and Compensation Committee with regard to the compensation packages of the Chief Executive Officer and other members of senior management; (iii) reviewing the proxy circular and proxy statement and specifically the Compensation Discussion and Analysis; and (iv) preparing materials for and attending select Talent and Compensation Committee Meetings.

The Talent and Compensation Committee will consider the advice and analysis of the independent compensation consultants, together with other factors the Talent and Compensation Committee considers appropriate (including feedback from shareholders and corporate governance groups, market data, knowledge of the comparator group and personal knowledge and experience of the Talent and Compensation Committee members), in reaching its decisions and making compensation determinations for the Chief Executive Officer and executive officers.

Succession Planning

The Board of Directors shall regularly undertake a thorough review of succession planning for the members of the Company's Executive Committee, including our Chief Executive Officer, over the course of the year, led by the efforts of the Talent and Compensation Committee. The Talent and Compensation Committee shall continuously review the Executive Committee and key positions within the Company to ensure the continuity and comprehensiveness of succession planning company wide. Among other factors, the Talent and Compensation Committee shall consider the level of representation of women and other minorities in executive officer and managerial positions when making appointments and during succession planning by taking into account the overall number of women and other minorities currently serving in such roles at the Company and by actively considering women and other minority candidates for such positions when they become available; however, the Company does not have a specific target number or date by which to achieve a specific level of representation of women or other minorities in executive officer and managerial positions, as it considers a multitude of factors in determining the best person for any position.

The Board of Directors shall regularly receive exposure to executives, managers and other personnel in the organization by having the executives and managers participate in Board of Directors meetings and present on the Company's business and strategy. The Board of Directors' participation in these events provides significant exposure to the Company's leadership team and strategic focus, which greatly enhances the Board of Directors' ability to conduct succession planning, as well as to gain insight as it oversees organization risk and strategy.

Table of Contents

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is comprised of three independent directors: Thomas W. Ross, Sr., Andrew C. von Eschenbach and Sarah B. Kavanagh. The responsibilities, powers and operation of the Nominating and Corporate Governance Committee are set out in the committee's written charter. As required by the Nominating and Corporate Governance Committee Charter, each member of the Nominating and Corporate Governance Committee is an independent director as defined and required by applicable regulatory and stock exchange rules.

As described in the Nominating and Corporate Governance Committee Charter, the key responsibilities of the Nominating and Corporate Governance Committee include: (i) identifying individuals qualified to become directors and recommending to the Board of Directors new nominees for election by shareholders or for appointment by the Board of Directors, and engaging the services of third party search firms to assist in identifying such individuals; (ii) providing recommendations to the Board of Directors regarding the competencies and skills the Board of Directors should possess, and the qualifications of its directors; (iii) recommending for Board of Directors approval, if appropriate, revisions to our corporate governance practices and procedures; (iv) developing new charters for any new committees established by the Board of Directors, if not otherwise mandated by the Board of Directors; (v) monitoring relationships and communication between management and the Board of Directors and monitoring emerging best practices in corporate governance; (vi) reviewing the composition and mandate of the Board of Directors and each committee of the Board of Directors annually and, if appropriate, recommending to the Board of Directors any changes it considers desirable with respect thereto; and (vii) overseeing our orientation process for new directors and our continuing education program for all directors.

The Nominating and Corporate Governance Committee shall annually develop and recommend processes for assessing the performance and effectiveness of the Board of Directors and the committees of the Board of Directors and shall report the results of such assessments to the Board of Directors on an annual basis. Pursuant to these processes established by the Nominating and Corporate Governance Committee and adopted by the Board of Directors, the Board of Directors and each committee shall conduct annual self-assessments of their performance and effectiveness. The self-assessments include a review of the compliance of the Board of Directors and each committee with their respective charters, the adequacy of information provided, the skills and experience of the members, and other matters. The results of the individual directors' surveys shall be compiled by the Chairperson of the Nominating and Corporate Governance Committee and presented to the Lead Independent director and Chairman of the Board of Directors for discussion. Following these discussions, the Chairperson of the Nominating and Corporate Governance Committee shall provide a report to the full Board of Directors identifying the opportunities for improvement identified in the self-assessment process. The Nominating and Corporate Governance Committee shall also make recommendations to the Board of Directors regarding director compensation, and may retain advisors to assist with evaluating and making these recommendations. For additional information regarding the compensation of our non-employee directors, and the role of the Nominating and Corporate Governance Committee in reviewing and recommending changes to non-employee director compensation, please see "Executive Compensation—Director Compensation."

How We Make Pay Decisions and Assess Our Programs

During 2021, Bausch + Lomb was not an independent public company, and did not have a compensation committee or any other committee serving a similar function. Decisions regarding the compensation of those who currently serve as our executive officers were made by BHC, as described in the section of this prospectus entitled "Executive Compensation—Compensation Discussion and Analysis."

Agreement with BHC

Under the Master Separation Agreement, we have agreed not to propose any nominee for election to our Board of Directors without BHC's prior written consent until the earliest of December 31, 2024, completion of

Table of Contents

the Distribution, and BHC ceasing to beneficially own at least 50% of the total voting power of our outstanding share capital other than the directors named in the prospectus included in the registration statement that we filed with the SEC on January 13, 2022 (subject to certain specified exceptions). BHC has also agreed that, during such period, all voting decisions made by or on behalf of BHC with respect to any of our voting securities beneficially owned by BHC will be approved by the BHC Board. See "Certain Relationships and Related Party Transactions—Agreements between BHC and Our Company—Master Separation Agreement."

Director Appointment and Nomination Agreement

In connection with this offering, we entered into a Director Appointment and Nomination Agreement (the "Icahn Agreement") with Carl C. Icahn and the persons and entities listed therein (collectively, the "Icahn Group"), pursuant to which the Company agreed to, as soon as practicable following the written election of the Icahn Group (which election shall be no sooner than the date of the Distribution and no later than one year thereafter), (i) increase the size of the Board of Directors by two members and (ii) appoint two individuals identified by the Icahn Group and reasonably acceptable to the Company (collectively, the "Icahn Designees") to the Board of Directors to fill the resulting vacancies, with a term expiring at the first annual general meeting of shareholders of the Company following such written election (such date, the "First Post-Designation Annual Meeting"). Notwithstanding the foregoing, the Icahn Group shall not be permitted to designate any individual as a director of the Company if: (x) such individual, at the time of such designation, is also a member of the board of directors of BHC and (y) immediately following such designation, more than two individuals are members of each of the board directors of BHC and the Board of Directors of the Company.

In addition, the Icahn Group will be entitled, in the event any Icahn Designee resigns or for any reason fails to serve or is not serving as a director (subject to certain limited exceptions set forth in the Icahn Agreement), to designate a replacement for appointment to the Board of Directors on the terms set forth in the Icahn Agreement.

So long as an Icahn Designee is a member of the Board of Directors, the Icahn Group will also have certain rights with respect to newly created committees as set forth in the Icahn Agreement. In addition, any consideration by the Board of Directors of appointment and employment of named executive officers, certain significant transactions, and voting with respect thereto, will take place only at the level of the full Board of Directors or in committees of which one of the Icahn Designees is a member.

If at any time the Icahn Group ceases to hold a "net long position", as defined in the Icahn Agreement, in at least (i) six percent of the Company's common shares as of the date of the Distribution, one of the Icahn Designees will, and the Icahn Group will cause one Icahn Designee to, promptly resign from the Board of Directors; and (ii) three percent of the Company's common shares, each of the Icahn Designees will, and the Icahn Group will cause each such Icahn Designee to, promptly resign from the Board of Directors. So long as the Icahn Group holds "a net long position", as defined in the Icahn Agreement, in at least six percent of the Company's common shares as of the date of the Distribution, the Company will not adopt a Rights Plan, as defined in the Icahn Agreement, with an "Acquiring Person" beneficial ownership threshold below 20.0% of the then-outstanding common shares, unless (x) such Rights Plan provides that, if such Rights Plan is not ratified by the Company's stockholders within 105 days of such Rights Plan being adopted, such Rights Plan shall automatically expire and (y) the "Acquiring Person" definition of such Rights Plan exempts the Icahn Group up to a beneficial ownership of 19.95% of the then-outstanding common shares.

The Icahn Agreement includes certain customary voting, standstill and non-disparagement provisions. The Icahn Agreement also includes restrictions on the ability of the Icahn Group and its affiliates from disposing of common shares in certain circumstances in order to preserve the tax-free treatment of the Distribution.

In connection with the entry into the Icahn Agreement, the Company and the Icahn Group have agreed to enter into a confidentiality agreement following the appointment of the Icahn Designees to the Board of Directors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Prior to this offering, Bausch + Lomb is currently an indirect wholly-owned subsidiary of BHC and not an independent public company. Decisions regarding the past compensation of Bausch + Lomb's named executive officers were made by the Talent and Compensation Committee of the BHC Board of Directors (referred to in this section as the "BHC Compensation Committee") if the executive previously served as an executive officer of BHC, or otherwise by BHC management. After the Separation, Bausch + Lomb's executive compensation programs, policies and practices for its executive officers will be subject to the review and approval of the Talent and Compensation Committee of the Board of Directors.

For purposes of this Compensation Discussion and Analysis and the following executive compensation tables, the individuals referred to as the "named executive officers" or "NEOs" are:

- Joseph C. Papa, Chief Executive Officer and Chairman
- Sam A. Eldessouky, Chief Financial Officer
- Christina M. Ackermann, Executive Vice President & General Counsel and President Ophthalmic Pharmaceuticals
- Joseph F. Gordon, President, Global Consumer, Surgical and Vision Care

The following sections of this "—Compensation Discussion and Analysis" describe BHC's executive compensation philosophy, executive compensation program elements and certain BHC executive compensation plans, policies and practices, as well as certain aspects of Bausch + Lomb's anticipated compensation structure following the Separation.

Compensation Philosophy

As a wholly-owned subsidiary of BHC, we have shared the compensation objectives of BHC, which include attracting, retaining and motivating senior executives, including our NEOs, who are committed to the ongoing transformation of the Company and to improving people's lives through BHC's products. BHC's compensation programs link executive compensation to long-term business performance, while providing compensation opportunities that are competitive as compared to BHC's peers and align the interests of BHC's executives with those of BHC's shareholders. BHC's programs also balance appropriate risk taking and incorporate shareholder feedback.

In allocating between short-term and long-term compensation, the BHC Compensation Committee seeks to establish a balance between rewarding past performance and recognizing potential future contributions. In that respect, the BHC Compensation Committee designs BHC's annual incentive program to reward executives who achieve pre-determined financial metrics and strategic priorities, and it grants equity awards under BHC's long- term incentive program to provide an opportunity for additional compensation based on delivering on long-term performance and shareholder value creation.

The compensation opportunity provided to our NEOs under BHC's compensation programs is primarily performance-based.

Our NEOs, as well as our employees generally, have participated in BHC's compensation and benefits plans and programs. These plans and programs are intended to align our compensation programs with our business objectives, promote good corporate governance and seek to achieve our compensation objectives.

Compensation Process

Prior to the completion of this offering, we were a wholly-owned subsidiary of BHC, and BHC's CEO (other than with respect to himself) and the BHC Compensation Committee were primarily responsible for determining our compensation strategy and philosophy.

In connection with this offering, it is anticipated that Bausch + Lomb will establish our own compensation strategy and philosophy, including approving initial compensation for our executive officers and senior executives that will take effect following this offering. Following the completion of this offering, our Talent and Compensation Committee will assume responsibility for determining our compensation philosophy, structuring our compensation and benefits programs and determining appropriate payments and awards to our executive officers, including our NEOs. We intend to engage a compensation consultant to provide advice on executive compensation matters.

Components of Executive Compensation

The components of executive compensation for our NEOs, as described in more detail below, include (i) base salary; (ii) incentive pay (including annual cash incentive and long-term equity incentives); (iii) retirement and welfare benefits; and (iv) executive benefits and perquisites.

Base Salary

BHC sets executive base salaries at competitive levels necessary to attract and retain top performing senior executives, including our NEOs. Base salaries provide an amount of fixed compensation to each senior executive for the performance of their core duties.

Base salaries are periodically reviewed as part of BHC's performance review process, as well as upon a promotion or other change in job responsibilities. To the extent base salaries are adjusted, the amount of any such adjustment would reflect a review of competitive market data, consideration of relative levels of pay internally, individual performance of the executive, and any other circumstances that BHC's Compensation Committee determines are relevant.

Our NEOs' base salaries received from BHC for fiscal 2021 remained the same as their base salaries in 2020, with the exception of Mr. Eldessouky's base salary which increased upon his appointment to CFO in June 2021, and are as follows:

NEO	2021 Salary
Joseph C. Papa	$ 1,600,000
Sam A. Eldessouky	$ 700,000
Christina M. Ackermann	$ 750,000
Joseph F. Gordon	$ 600,000

Annual Incentive Program

BHC's 2021 annual incentive program (the "2021 AIP") provides an opportunity for BHC's senior executives, including our NEOs, to earn an annual incentive, paid in cash, based on the achievement of certain financial targets and strategic priorities.

Table of Contents

2021 Annual Incentive Program Opportunity

The NEOs annual incentive target, as a percentage of base salary remained the same as in 2020, with the exception of Mr. Eldessouky's annual incentive target which increased upon his appointment to CFO in June 2021, and are as follows:

NEO	Incentive Target
Joseph C. Papa	150%
Sam A. Eldessouky	68%(1)
Christina M. Ackermann	80%
Joseph F. Gordon	80%

(1) Mr Eldessouky's target bonus opportunity reflects a change to his incentive target during fiscal 2021 in connection with a change in his role during the year Mr Eldessouky's target bonus opportunity for fiscal 2022 is 80% of base salary

2021 Annual Incentive Program Design

For BHC's senior executives, including our NEOs, the annual incentive program is based on performance against pre-established financial targets and strategic priorities approved by BHC's Board of Directors at the beginning of each fiscal year. For 2021, the performance of BHC's entire senior executive team, including all of our NEOs, was measured against BHC's overall Adjusted EBITDA and Revenue performance for 75% of their total payout. Adjusted EBITDA makes up 60% of this financial portion of their payout, and Revenue makes up 40% of this financial portion of their payout. Consistent with prior years, company-wide strategic priorities comprise the remaining 25% of our NEOs' payout.

For our NEOs, the financial targets are based on attaining budget (to receive a payout at target) or stretch targets (to receive a payout above target) for the Adjusted EBITDA and Adjusted Revenue metrics pre-established by the BHC Compensation Committee at the beginning of the fiscal year. For 2021, the threshold, target, and stretch performance and corresponding payouts were as follows, with award payouts capped at 200% of incentive target if original, full-year EBITDA and Revenue plans were achieved.

	EBITDA/EBITA	Revenue	
	Performance versus Plan		Payout
Below Threshold	<90%	<93%	0%
Threshold	90%	93%	10%
Target	100%	100%	100%
Stretch	110%	107%	200%
Above Stretch	>110%	>107%	200%

BHC's Compensation Committee retains the ability to reduce or eliminate payouts for individual executives, including our NEOs, even if financial metrics and strategic priorities are met, as well as to increase payouts based on individual performance. In making these decisions, BHC's Compensation Committee may consider factors such as the performance of the individual executive against his or her individual objectives in support of strategic priorities or additional financial metrics applicable to the business or functional area for which the NEO is responsible.

2021 Financial Objectives

In the beginning of 2021, the BHC Board approved the Company's budget for the full year, including Adjusted EBITDA and Revenue targets of BHC. These same financial metrics were reviewed and approved by the BHC Compensation Committee to determine achievement under the Annual Incentive Program.

Table of Contents

For our NEOs, the financial targets are based on attaining budget (to receive a payout at target) or stretch targets (to receive a payout above target) for Adjusted EBITDA and Adjusted Revenue, as follows:

Financial Metric	Weighting	Threshold	Target	Stretch	Actual	Achieved	Payout(1)(3)
Adjusted EBITDA(2)	60%	$3.067B	$3.408B	$3.749B	$3.501B	102.7%	127.5%
Adjusted Revenue(3)	40%	$8.057B	$8.663B	$9.269B	$8.446B	97.5%	64.3%
							102%

(1) In determining final payout versus the 2021 financial plan, BHC's Compensation Committee reviewed and approved external factors outside of management's control (e.g. foreign exchange, an earlier or later than anticipated loss of exclusivity, and other material adjustments).
(2) For a definition of Adjusted EBITDA, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information."
(3) Revenue for these purposes is the same as GAAP revenue, except that the exchange rates are those used for the Annual Incentive Plan.

Based on the foregoing results, BHC's Compensation Committee certified that the total payout based on BHC's Adjusted EBITDA and Adjusted Revenue for 2021 was 102% for all NEOs

2021 Strategic Priorities

In the beginning of 2021, BHC's Compensation Committee reviewed and approved the following strategic priorities, which make up the remaining 25% of our NEOs' payout:

Strategic Priority	Weighting	Payout
Continue to cultivate a high-performance, results-oriented culture by recruiting, engaging, developing, rewarding and retaining talent	20%	90%
Drive operational excellence across the enterprise	20%	110%
Increase size, breadth, and value of product pipeline	20%	100%
Develop "paths to win" across the enterprise	20%	110%
Accomplish key milestones required to separate Bausch + Lomb into an independent company	20%	100%
Total		**102%**

Achievement for each initiative was reviewed by the BHC Compensation Committee, and credit was determined based on results against each initiative, including the following:

- BHC continued to cultivate a high-performance, results-oriented culture by: (i) launching a global employee development framework focused on capability building, career development, and leadership growth to all employees, as well as global leadership programs to high-potential employees in support of BHC's succession planning process; (ii) continuing to foster connections among its workforce through employee resource groups and listening sessions, as well as online and facilitator-led development programs for executives, managers, and employees; (iii) introducing separation-related communication efforts in order to maintain a one-team mindset during separation efforts; and (iv) ensuring employee retention, which, in line with what most companies were experiencing in the industries and geographies in which BHC operates, trended higher than in 2020.

- BHC drove operational excellence across the Company by: (i) delivering cost improvements across materials, in-plant efficiencies, and SKU reductions; (ii) executing on quality outcomes in support of business objectives; and (iii) achieving cash flow targets through management of payables, receivables, and inventories.

- BHC increased the size, breadth, and value of its product pipeline by: (i) meeting planned filings and approvals; (ii) meeting expectations on phase III, early stage, and late stage projects; and (iii) launching four new products.

Table of Contents

- BHC further developed "paths to win" by: (i) developing an environmental, social, and governance scorecards and executing on these goals, and (ii) remaining agile and adaptable as new COVID variants and sub-variants emerged and regulations and guidelines changed, ensuring business continuity and the safety of its employees.
- BHC accomplished key milestones required to separate Bausch + Lomb and Solta into independent companies by: (i) completing all internal steps to ensure operations separation; (ii) establishing leadership teams for Bausch Pharma, Bausch + Lomb, and Solta and notified all employees globally which company they would work for post-separation; (iii) completing financial segmentation; and (iv) filing the registration statements for the proposed IPOs of Bausch + Lomb and Solta.

BHC's strong results and achievements for these company-wide strategic priorities resulted in a payout of 102%.

2021 Annual Incentive Program Payouts

Based on this performance against pre-established financial targets (102% payout, comprising 75% of the total payout) and strategic priorities (102% payout, comprising 25% of the total payout) as approved by BHC's Board, the following total payouts were approved for our NEOs:

NEO	Incentive Target (%)	Incentive Target ($)	Bonus Payout	Bonus Payout as % of Target(1)
Joseph C. Papa	150%	$2,400,000	$2,448,000	102%
Sam A. Eldessouky	68%	$ 472,500	$ 481,950	102%
Christina M. Ackermann	80%	$ 600,000	$ 612,000	102%
Joseph F. Gordon	80%	$ 480,000	$ 489,600	102%

(1) Bonus Payout as % of Target is shown at the nearest whole percent.

BHC's Compensation Committee did not make any further adjustments to the payouts as calculated above based on performance against these pre-established financial targets and strategic priorities approved by BHC's Board.

Long-Term Incentive Program

BHC's Long-Term Incentive program includes a balanced portfolio of Performance Share Units ("PSUs"), Restricted Share Units ("RSUs"), and Stock Options

2021 Grants to NEOs

For 2021, all of our NEOs received 2021 LTIP awards, which were granted for our CEO 70% in PSUs, 15% in RSUs and 15% in Stock Options and for all other NEOs 40% in PSUs, 30% in RSUs, and 30% in Stock Options, with the following approximate values.

NEO	Approved Value(1)(2)
Joseph C. Papa	$ 15,250,000
Sam A. Eldessouky	$ 2,750,000
Christina M. Ackermann	$ 2,500,000
Joseph F. Gordon	$ 1,600,000

(1) Includes a one-time RSU grant with an aggregate approved value of $500,000 for Ms. Ackermann, $125,000 for Mr. Eldessouky, and $350,000 for Mr. Gordon, each of which were awarded in March 2021 in recognition of accomplishments related to BHC's business recovery in connection with the COVID-19 pandemic and efforts in connection with the separation of the B+L business.

(2) Includes a one time promotion equity grant with an aggregate approved value of $2,000,000 for Mr Eldessouky, which was awarded in June 2021 in connection with his appointment to CFO of BHC. This award was granted 50% in the form of RSUs and 50% in the form of stock options.

2021 Performance Share Units

PSUs provide senior executives with the right to receive common shares of BHC at a future date, assuming performance against pre-determined metrics are achieved, specifically BHC's Return on Tangible Capital ("ROTC") and relative TSR (as defined below), and, for our CEO, BHC's Separation of B+L (as described in more detail below). For 2021, for our CEO, ROTC and TSR metrics each comprised approximately 31% of the total PSU award, with the number of PSUs that may be achieved capped at 200%, and B+L separation-related metrics comprised approximately 37% of the total PSU award (the "B+L Separation PSUs"), with the number of PSUs that may be achieved capped at 100% For 2021, for all other NEOs, ROTC and TSR each comprised 50% of the total PSU award, with the number of PSUs that may be achieved capped at 200%. 2021 ROTC and TSR PSUs vest in March 2024, and B+L Separation PSUs for our CEO vest in two equal tranches, which is dependent upon the timing of the achievement of the pre-determined performance criteria. PSUs are subject to continued employment and achievement of minimum performance criteria.

In connection with this offering, BHC's Compensation Committee determined to adjust the performance metric applicable to the 2020 and 2021 ROTC and TSR PSUs, as described in more detail below under "—Return on Tangible Capital Metrics" and "—Total Shareholder Return Metrics." In addition, the BHC Compensation Commitee also determined to provide that the 2021 ROTC PSUs will service vest on March 3, 2023.

Return On Tangible Capital Metrics

ROTC performance is measured each year over three years; for 2021, one-third of the PSUs achieved was based on 2021 performance, one-third will be based on 2022 performance, and one-third will be based on 2023 performance. Starting in 2019, BHC's Compensation Committee updated the ROTC calculation by weighting the two components that comprise ROTC—Net Operating Profit After Taxes ("NOPAT") (75%) and Net Operating Assets (25%)—with a higher weighting on the profitability component of this calculation. The following ROTC goals were set at the beginning of 2021 and apply to the grants made to our NEOs in 2021.

Financial Metric	Weighting	Threshold	Target	Stretch	Actual	Achieved	Payout
NOPAT	75%	$2.618B	$2.909B	$3.200B	$2.901B	99.7%	97.9%
Net Operating Assets	25%	$2.104B	$1.913B	$1.722B	$1.699B	111.2%	200.0%
							123%

BHC's Compensation Committee has determined that, based on BHC's combined NOPAT and Net Operating Asset results, 123% of the ROTC PSUs were achieved for 2021.

In connection with this offering, BHC's Compensation Committee determined to adjust the terms of the PSUs granted in each of 2020 and 2021 to provide that ROTC performance in respect of the 2022 performance period and the 2023 performance period, as applicable, will be deemed to be achieved at target as of the completion of this offering

Table of Contents

Total Shareholder Return Metrics

The relative TSR performance period is three years, from January 1, 2021 through December 31, 2023, and is measured as compared to the NYSE ARCA PHARMACEUTICAL INDEX peers. The following targets were set at the beginning of 2021 and apply to grants made in 2021:

	Percentile	Payout
Below Threshold	<30%	0%
Threshold	30%	50%
Target	50%	100%
Stretch	80%	200%
Above Stretch	>80%	200%

In connection with this offering, BHC's Compensation Committee determined to adjust the terms of the PSUs granted in each of 2020 and 2021 to provide that the last day of the TSR performance period applicable to such PSUs will be the date of the completion of this offering, with actual achievement of the TSR performance metrics to be measured by BHC's Compensation Committee through such date. TSR is calculated as the stock price appreciation for the 20 days preceding the beginning of the performance period as compared to the 20 days preceding the end of the performance period, plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested in the common shares of BHC) during the performance period. Further, if BHC's absolute TSR is negative over the three-year period, any payout will in no event exceed 100%.

B+L Separation Metrics

B+L separation-related metrics for purposes of our CEO's B+L Separation PSUs are performance criteria related to the separation of B+L from BHC. These PSUs will be earned based upon the achievement of (a) the operational separation of the B+L business from BHC and (b) the consummation of the spin-off distribution of B+L from BHC. The number of PSUs that may be achieved is capped at 100%.

If the first performance metric is achieved, 50% of these PSUs will vest upon the closing of this offering, subject to continued employment through such applicable date. If the second performance metric is achieved, the remaining 50% of these PSUs will vest on the date the second performance metric is achieved, subject to continued employment through such applicable date.

2021 Restricted Share Units

RSUs provide senior executives with the right to receive common shares of BHC at a future date. The value ultimately received is based on the growth of BHC's common share price over time. RSUs vest one-third per year, assuming continued employment.

2021 Stock Options

Stock Options provide senior executives the opportunity to purchase BHC's common shares at a price equal to the market price at the time of the grant. The value ultimately received is based on the growth of BHC's common share price over time. Stock Options vest one-third per year, and remain exercisable for a ten-year term, subject to continued employment.

2019 Performance Share Unit Vesting

On February 27, 2022, the PSUs granted in 2019 to our NEOs vested based on their continued employment through the vesting date. For 2019, the PSU award was based on BHC's achievement of the ROTC and TSR performance metrics, with the number of PSUs that could be achieved capped at 200%.

ROTC was measured over three years, from 2019 through 2021 2019 ROTC was achieved at 117%, 2020 ROTC was achieved at 65%, and, as disclosed above, 2021 ROTC was achieved at 123%. The average of these three years resulted in a final ROTC payout of 101% for the 2019 ROTC PSUs.

TSR was measured on both an absolute and relative basis. The relative TSR performance period was three years, from January 1, 2019 through December 31, 2021, and was measured as compared to the NYSE ARCA PHARMACEUTICAL INDEX peers.

	Percentile	Payout
Below Threshold	<30%	0%
Threshold	30%	50%
Target	50%	100%
Stretch	80%	200%
Above Stretch	>80%	200%

TSR is calculated as the stock price appreciation for the 20 days preceding the beginning of the performance period ($21.49) as compared to the 20 days preceding the end of the performance period ($25.93), plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested in the common shares of BHC) during the performance period. Based on our TSR ranking in the 38th percentile of our peers, the final payout was 70%. Further, since our absolute TSR was not negative over the three-year period, and the payout was already below 100%, an absolute TSR cap was not applied.

These 2019 PSUs were delivered in February 2022, as shown in the table entitled "Outstanding Equity Awards at Fiscal Year End Table" under "—Outstanding Equity Awards at Fiscal Year-End."

Matching Share Program

Starting in August 2018, our NEOs became eligible to participate in the Bausch Health Companies Matching Share Program. Under this program, shares purchased on the open market by recipients are matched with one Matching Restricted Stock Unit ("MRSU") issued under the 2014 Plan (as defined below). Generally, MRSUs granted for a period of three years may not exceed the value of 50% of the sum of the NEO's annual base salary and target annual cash bonus, less any shares sold within the past six months (excluding any shares sold to cover a tax obligation resulting from a vesting event).

Subject to the provisions of the 2014 Plan and applicable award agreements, MRSUs vest pro-rata over a three-year period, provided that the recipient is employed through the applicable vesting dates. Vesting ceases upon termination of employment (except in limited circumstances), and any MRSUs that do not become vested prior to the recipient's termination of employment or that do not become vested according to the provisions of the terms of the award are forfeited.

None of our NEOs purchased shares under this program during 2021.

Bausch + Lomb Separation Bonus Opportunity

In October 2020, BHC's Compensation Committee approved Mr. Eldessouky's, Ms. Ackermann's, and Mr. Gordon's eligibility for a performance-based separation bonus, which requires the achievement of pre-determined milestones related to the separation transaction. Payment will be made in cash, with 50% conditioned upon meeting internal readiness criteria for the separation of the two companies and the remaining 50% conditioned upon the successful close of the B+L separation transaction. Payment is subject to continued employment, except in limited circumstances. The first 50% was paid to Mr. Eldessouky, Ms. Ackermann, and Mr. Gordon in October 2021; additional details are shown below in "—Summary Compensation Table."

Table of Contents

Retirement and Welfare Benefits

The retirement and welfare benefit programs are a necessary element of the total compensation package to ensure a competitive position in attracting and maintaining a committed workforce. Participation in these programs is not tied to performance.

BHC's specific contribution levels to these programs are adjusted annually to maintain a competitive position while considering costs.

- Retirement Savings Plan—All employees in the United States, including our NEOs, are eligible to participate in a tax-qualified retirement savings plan under Section 401(k) of the Code. Eligible employees are able to contribute to BHC's Retirement Savings Plan, on a before-tax basis, up to 75% of their eligible compensation, subject to the limit prescribed by the Code. In 2021, BHC matched 100% of the first 3% of pay and 50% on the next 3% of pay that is contributed to the Retirement Savings Plan. All employee contributions to the Retirement Savings Plan are fully vested upon contribution; matching contributions vest ratably over three years.
- Welfare Plans—Our executives, including our NEOs, are also eligible to participate in BHC's broad- based welfare benefits plans (including medical, dental, vision, life insurance and disability plans) upon the same terms and conditions as other employees.

Executive Benefits and Perquisites

BHC provided our NEOs with limited perquisites and other personal benefits that BHC's Compensation Committee believed were reasonable and consistent with BHC's overall compensation program to better attract and retain superior employees for key positions, including an executive physical program.

Attributed costs of the personal benefits described above for our NEOs for the fiscal year ended December 31, 2021 are included in the column entitled "All Other Compensation" of "—Summary Compensation Table."

IPO Founders Grants

Prior to the completion of this offering, we anticipate that our Board of Directors will approve the grant of one-time equity awards in connection with this offering, which we refer to as the "Founder Grants", to certain of our employees (including our NEOs). The Founder Grants will be awarded 50% in the form of Stock Options and 50% in the form of Restricted Stock Units (RSUs). The target grant date value of the Founder Grants granted to each of Messrs. Papa, Eldessouky and Gordon and Ms. Ackermann will be approximately $17 million, $4.5 million, $2.5 million and $3.0 million, respectively. The Founder Grants are subject to the final approval of our Board of Directors and will be subject to the terms and conditions of the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan and the applicable award agreement thereunder. For additional details on the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan, see "—Bausch + Lomb Corporation 2022 Omnibus Incentive Plan."

Employment Agreements

Mr. Papa's Employment Agreement

In April 2016, BHC entered into an employment agreement with Mr. Papa, which will be assigned to the Company effective as of the closing of this offering. The initial term of Mr. Papa's agreement commenced on May 2, 2016 and continues until the fifth anniversary of the commencement date. Beginning at the expiration of the initial term, the term automatically renews for successive one-year periods unless either party gives notice of non-renewal.

Cash Compensation. Pursuant to his agreement, Mr. Papa receives a base salary and a target annual incentive opportunity equal to 150% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive.

Equity Compensation In connection with entering into his employment agreement, Mr Papa received (i) 373,367 RSUs and (ii) an option to acquire common shares with a grant-date fair value equal to $10,000,000 at an exercise price equal to the fair market value of our common shares on the date of grant. Additionally, pursuant to his employment agreement, Mr. Papa was required to purchase $5,000,000 worth of common shares by no later than the first anniversary of his commencement date. Mr. Papa satisfied this obligation.

As provided for under the RSU award agreement, 50% (186,684) of these RSUs vested on May 2, 2018, the second anniversary of his commencement date, based on pre-determined individual goals relating to (i) succession planning; (ii) government relations; (iii) employee relations; (iv) customer relations; and (v) shareholder relations being achieved. The remaining 50% vested on the fourth anniversary of his commencement date.

The options vested 25% on each of the first four anniversaries following the commencement date

Termination of Employment. The consequences of Mr. Papa's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Holding Requirements. Pursuant to his employment agreement, Mr. Papa is restricted from selling, assigning, transferring or otherwise disposing of BHC common shares acquired pursuant to option awards granted to him in accordance with the employment agreement until the first anniversary of the exercise date or vesting date and, in the case of 50% of Mr. Papa's options, the second anniversary of the exercise date or vesting date. Notwithstanding the foregoing, all sales restrictions will lapse upon a qualifying "change of control," Mr. Papa's death, disability and involuntary termination of employment without "cause" or for "good reason," or, in the case of the purchased shares, Mr Papa's voluntary termination of employment.

Restrictive Covenants. Mr. Papa is subject to customary restrictive covenants, including non-competition and non-solicitation covenants during his employment and for two years following termination of employment for any reason.

Mr. Eldessouky's Employment Agreement

In May 2021, BHC entered into an employment agreement with Mr. Eldessouky, which will be assigned to the Company effective as of the closing of this offering. The initial three-year term of Mr. Eldessouky's agreement commences on June 1, 2021. The term will automatically renew for successive one-year periods unless either party gives notice of non-renewal.

Pursuant to his agreement, Mr. Eldessouky receives a base salary of $700,000 and target annual incentive equal to 80% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive. In connection with his promotion to Chief Financial Officer, Mr. Eldessouky received an equity grant with an aggregate value of $2,000,000, 50% in the form of RSUs and 50% in the form of stock options.

Termination of Employment. The consequences of Mr. Eldessouky's termination of employment are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Mr. Eldessouky is subject to customary restrictive covenants, including non-competition and non-solicitation covenants during his employment and for one year following termination of employment for any reason.

Ms. Ackermann's Employment Agreement

In July 2016, BHC entered into an employment agreement with Ms. Ackermann, which will be assigned to the Company effective as of the closing of this offering. Ms. Ackermann's agreement commenced on August 8, 2016.

Pursuant to her agreement, Ms. Ackermann receives a base salary and target annual incentive opportunity equal to 80% of her base salary, with a maximum annual incentive opportunity equal to 200% of her annual target incentive. Ongoing equity grants are at the sole discretion of the Talent and Compensation Committee.

Termination of Employment. The consequences of Ms. Ackermann's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Ms. Ackermann is subject to customary restrictive covenants, including non- competition and non-solicitation covenants during her employment and for one year following termination of employment for any reason.

Mr. Gordon's Employment Agreement

In August 2018, BHC entered into an employment agreement with Mr. Gordon, which will be assigned to the Company effective as of the closing of this offering. Mr. Gordon's agreement commenced on July 16, 2018.

Pursuant to his agreement, Mr. Gordon receives a base salary and target annual incentive opportunity equal to 80% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive. Ongoing equity grants are at the sole discretion of the Talent and Compensation Committee.

Termination of Employment. The consequences of Mr. Gordon's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Mr. Gordon is subject to customary restrictive covenants, including non- competition and non-solicitation covenants during his employment and for one year following termination of employment for any reason.

Other Compensation Governance Practices

Following this offering, Bausch + Lomb intends to implement share ownership guidelines and anti-pledging and anti-hedging policies for our senior executives and our non-employee directors.

Risk Assessment of Compensation Programs

Bausch + Lomb does not believe that our compensation arrangements, including financial performance measures used to determine short-term and long-term incentive payout amounts, provide its executives with an incentive to engage in business activities or other behavior that would expose us or our stockholders to excessive risk that are reasonably likely to have a material adverse effect.

Tax and Accounting Implications

Tax Considerations of Executive Compensation

Section 162(m) of the Code generally limits the tax deductibility of annual compensation paid by public companies for certain executive officers to $1 million. Although our Talent and Compensation Committee is mindful of the benefits of tax deductibility when determining executive compensation, we may approve compensation that will not be fully-deductible in order to ensure competitive levels of total compensation for our executive officers.

Accounting for Stock-Based Compensation

BHC has in the past, and following this offering, will continue to account for stock-based payments, including grants under each of BHC's equity compensation plans in accordance with the requirements of FASB ASC Topic 718.

[Table of Contents](#)

2021 Summary Compensation Table

The following table sets forth the annual and long-term compensation awarded to or paid by BHC to our NEOs for services rendered to BHC in all capacities during the year ended December 31, 2021.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Joseph C. Papa(5)	2021	1,600,000	—	16,561,105	2,250,054	2,448,000	29,978	22,889,137
Chief Executive	2020	1,526,539	—	8,127,907	2,251,352	2,160,000	53,563	14,119,361
Officer & Chairman	2019	1,500,000	—	10,286,634	1,999,998	3,240,000	115,014	17,141,646
Sam A. Eldessouky	2021	620,385	—	1,778,793	1,187,756	731,950	13,340	4,332,224
Chief Financial Officer	2020	500,000	—	392,709	187,631	225,000	12,825	1,318,165
Christina M. Ackermann	2021	750,000	—	2,348,225	600,033	862,000	14,330	4,574,588
Executive Vice	2020	743,654	—	1,692,387	540,362	540,000	24,625	3,541,028
President & General Counsel and President, Ophthalmic Pharmaceuticals	2019	690,308	—	1,343,982	525,050	806,400	14,192	3,379,932
Joseph F. Gordon	2021	600,000	—	1,507,810	375,066	739,600	18,050	3,240,526
President, Global	2020	597,346		785,420	375,263	432,000	17,825	2,207,854
Consumer, Surgical and Vision Care	2019	565,923	—	959,969	375,048	656,640	23,600	2,581,180

(1) This column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for all stock awards granted in 2021, which includes PSUs and RSUs of BHC. The grant date fair value shown here differs from the approved value shown in the CD&A because of the accounting methodology required in this table. The grant date fair value of PSU awards was calculated based on the probable outcome of the performance conditions related to these awards in accordance with FASB ASC Topic 718 (excluding the effects of estimated forfeitures). For the 2021 amounts, the amount in the table includes the following values: (i) PSUs ($14,146,781) and RSUs ($2,414,324) for Mr. Papa, (ii) PSUs ($364,944) and RSUs ($1,413,849) for Mr Eldessouky, (iii) PSUs ($1,167,925) and RSUs ($1,180,300) for Ms Ackermann, and (iv) PSUs ($729,887) and RSUs ($777,923) for Mr. Gordon.

The number of PSUs that are ultimately distributed will be determined based on (i) TSR, and (ii) ROTC, which will be measured over three years, from 2021 through 2023, and (iii) for Mr. Papa, B+L separation-related metrics. The grant date fair value assuming a 200% payout, which is the maximum outcome of the performance conditions for TSR and ROTC, and a 100% payout, which is the maximum outcome of the performance for B+L separation-related metrics, would be $24,001,405 for Mr. Papa, $729,888 for Mr. Eldessouky, $2,335,850 for Ms. Ackermann, and $1,459,774 for Mr. Gordon. The assumptions used in the valuation of the RSUs and PSUs granted in 2021 are set forth in Note 12 of the notes to our audited combined financial statements for the year ended December 31, 2021 included elsewhere in this prospectus.

(2) For the 2021 amounts, this column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718, using Black-Scholes, excluding the effect of estimated forfeitures. The assumptions used in the valuation of the Options granted in 2021 are set forth in Note 12 of the notes to our audited combined financial statements for the year ended December 31, 2021 included elsewhere in this prospectus.

(3) This column represents the NEO's AIP payouts, as further described under "—Components of Executive Compensation – Annual Incentive Program". In addition, this column also represents the payout of 50% of

Table of Contents

the B+L separation bonus for our NEOs (other than Mr Papa, who was not eligible for such bonus) for the achievement of pre determined performance metrics related to the B+L separation transaction as further described under "—Bausch + Lomb Separation Bonus Opportunity."

(4) For 2021, amounts in this column for each NEO consist of the following:

	Papa	Eldessouky	Ackermann	Gordon
401(k) Match	$13,050	$ 13,050	$ 13,050	$13,050
Use of Company Car(b)	—	$ 290	$ 1,280	—
Use of BHC Aircraft	$11,428(a)	—	—	—
Executive Physical(c)	$ 5,500	—	$	$ 5,000

(a) Amount includes the value of Mr. Papa's personal use of BHC aircraft (with BHC's incremental cost calculated based on all variable costs for the year, including the mileage charge for the flight, the fuel and allocable maintenance charge for the flight, as well as the ground transportation charge, in accordance with BHC's policy on aircraft use). Beginning in 2020, BHC modified its methodology for calculating this incremental cost by limiting the maintenance charge to the portion allocable to the flight. There was no income tax gross-up related to the personal use of the BHC aircraft and Mr. Papa is solely responsible for the income tax incurred. We did not include the incremental cost of any portion of our monthly aircraft management fee, which BHC would have paid regardless of the personal use, or depreciation on the plane, which does not vary based on use.

(b) This amount is the value of Mr. Eldessouky's and Ms. Ackermann's personal use of a Company vehicle.

(c) This amount represents the value of the executive physical benefit provided to BHC executives.

(5) Mr. Papa is Chairman of BHC's Board of Directors. He does not receive any additional compensation of any kind for his services as a member of the Board of Directors of BHC.

Table of Contents

Grants of Plan-Based Awards

The following table provides information on the grants of plan-based awards from BHC to our NEOs during the year ended December 31, 2021.

Name	Grant Date	Committee Action Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(3) (#)	All Other Option Awards: Number of Securities Underlying Options(4) (#)	Exercise or Base Price of Option Awards(5) ($/Sh)	Grant Date Fair Value(6) ($)
			Threshold ($)	Target ($)	Maximum ($)	Threshold ($)	Target ($)	Maximum ($)				
Joseph C. Papa												
2021 AIP	2/15/2021	2/15/2021	0	2,400,000	4,800,000							
2021 TSR PSU	3/3/2021	2/15/2021				55,613	111,226	222,452				6,233,105
2021 ROTC PSU	3/3/2021	2/15/2021				27,807	111,226	222,452				3,621,519
2021 B+L Separation PSU	3/3/2021	2/15/2021				0	131,823	131,823				4,292,157
2021 RSU	3/3/2021	2/15/2021							74,150			2,414,324
2021 Options	3/3/2021	2/15/2021								196,464	32 56	2,250,054
Sam A. Eldessouky												
2021 AIP	2/15/2021	2/15/2021	0	560,000	1,120,000							
2021 TSR PSU	3/3/2021	2/15/2021				2,060	4,119	8,238				230,829
2021 ROTC PSU	3/3/2021	2/15/2021				1,030	4,119	8,238				134,115
2021 RSU	3/3/2021	2/15/2021							10,298			335,303
2021 Options	3/3/2021	2/15/2021								16,374	32 56	187,527
2021 Promotion RSUs	6/1/2021	3/10/2021							33,673			1,078,546
2021 Promotion Options	6/1/2021	3/10/2021								122,427	32 03	1,000,229
Christina M. Ackermann												
2021 AIP	2/15/2021	2/15/2021	0	600,000	1,200,000							
2021 TSR PSU	3/3/2021	2/15/2021				6,591	13,182	26,364				738,719
2021 ROTC PSU	3/3/2021	2/15/2021				3,296	13,182	26,364				429,206
2021 RSU	3/3/2021	2/15/2021							36,250			1,180,300
2021 Options	3/3/2021	2/15/2021								52,392	32 56	600,033
Joseph F. Gordon												
2021 AIP	2/15/2021	2/15/2021	0	480,000	960,000							
2021 TSR PSU	3/3/2021	2/15/2021				4,119	8,238	16,476				461,658
2021 ROTC PSU	3/3/2021	2/15/2021				2,060	8,238	16,476				268,229
2021 RSU	3/3/2021	2/15/2021							23,892			777,923
2021 Options	3/3/2021	2/15/2021								32,749	32 56	375,066

(1) 2021 AIP represents the threshold, target, and maximum awards set under the program The actual amount paid for 2021 is included in the table entitled "2021 Summary Compensation Table" under "—Summary Compensation Table" in the column titled "Non-Equity Incentive Plan Compensation "

(2) Amounts shown are the threshold, target and maximum number of units that can be distributed under the 2021 PSUs awarded, based on the extent to which the metrics are achieved under these awards, as further described in the section titled "—Components of Executive Compensation—Long-Term Incentive Program—2021 Performance Share Units " Earned PSUs, if any, can range from 0% to 100% of target for Mr Papa's B+L separation-related metrics and 0% to 200% of target for our NEOs' ROTC and TSR metrics

(3) This column shows the number of BHC RSUs granted in 2021 The 2021 RSUs vest in three equal installments on the first, second and third anniversaries of the grant date

(4) This column shows the number of BHC non-qualified Stock Options granted in 2021

(5) The non-qualified Stock Options vest one-third per year on the first, second and third anniversaries of the grant date and have a ten-year term The exercise price is the closing price of BHC's common shares on the date prior to the grant date

Table of Contents

(6) This column shows the grant date fair value of each BHC equity award computed in accordance with FASB ASC Topic 718 The grant date fair value of the TSR PSU awards was calculated based on the probable outcome of the performance conditions related to these awards in accordance with FASB ASC 718 The grant date fair value of the Stock Options was determined using Black-Scholes

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on the holdings of Stock Options and stock awards with respect to BHC common stock by our NEOs as of December 31, 2021. This table includes unexercised and unvested Stock Option awards and unvested RSUs and PSUs. Each equity grant is shown separately for each NEO. The market value of the stock awards is based on the closing market price of BHC's common shares on December 31, 2021, which was $27.61. Pursuant to the terms of the Employee Matters Agreement, at the Distribution, each stock option, RSU and PSU reflected in the table below will be adjusted and converted as described in more detail in "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement".

		Option Awards				Stock Awards			
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Joseph C. Papa	6/9/2016	682,652	0	23 92	5/2/2026				
	3/7/2018	338,058	0	15 32	3/7/2028				
	2/27/2019	157,455	78,728(1)	23 16	2/27/2029				
	2/27/2019					122,990(2)	$3,395,754		
	2/27/2019							85,241(3)	$2,353,504
	2/27/2019					27,061(4)	$ 747,154		
	2/28/2019					10,000(4)	$ 276,100		
	9/13/2019					7,083(4)	$ 195,562		
	2/26/2020	113,704	227,410(1)	24 77	2/26/2030				
	2/26/2020					76,177(5)	$2,103,247	40,520(6)	$1,118,757
	2/26/2020							60,780(7)	$1,678,136
	2/26/2020					54,027(4)	$1,491,685		
	3/3/2021	0	196,464(1)	32 56	3/3/2031				
	3/3/2021					45,603(8)	$1,259,099	74,151(9)	$2,047,309
	3/3/2021							222,452(7)	$6,141,900
	3/3/2021							131,823(10)	$3,639,633
	3/3/2021					74,150(4)	$2,047,282		
Sam A. Eldessouky	3/1/2017	31,430	0	14 38	3/1/2027				
	3/7/2018	31,697	0	15 32	3/7/2028				
	2/27/2019	14,766	7,383(1)	23 16	2/27/2029				
	2/27/2019					5,123(2)	$ 141,446		
	2/27/2019							3,551(3)	$ 98,043
	2/27/2019					2,537(4)	$ 70,047		
	2/26/2020	9,476	18,953(1)	24 77	2/26/2030				
	2/26/2020					2,821(5)	$ 77,888	1,501(6)	$ 41,443
	2/26/2020							2,251(7)	$ 62,150
	2/26/2020					4,502(4)	$ 124,300		
	3/3/2021	0	16,374(1)	32 56	3/3/2031				
	3/3/2021					1,689(8)	$ 46,633	2,746(9)	$ 75,817
	3/3/2021							8,238(7)	$ 227,451
	3/3/2021					10,298(4)	$ 284,328		
	6/1/2021	0	122,427(1)	32 03	6/1/2031				
	6/1/2021					33,673(4)	$ 929,712		
Christina M. Ackermann	8/10/2016	39,469	0	27 32	8/10/2026				

Table of Contents

		Option Awards				Stock Awards			
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
	2/27/2019	41,336	20,668(1)	23 16	2/27/2029				
	2/27/2019					14,348(2)	$ 396,148		
	2/27/2019							9,944(3)	$ 274,554
	2/27/2019					7,104(4)	$ 196,141		
	2/26/2020	27,291	54,582(1)	24 77	2/26/2030				
	2/26/2020					8,125(5)	$ 224,331	4,322(6)	$ 119,330
	2/26/2020							6,483(7)	$ 178,996
	2/26/2020					12,966(4)	$ 357,991		
	3/10/2020					2,927(4)	$ 80,814		
	8/28/2020					18,781(4)	$ 518,543		
	3/3/2021	0	52,392(1)	32 56	3/3/2031				
	3/3/2021					5,405(8)	$ 149,232	8,788(9)	$ 242,637
	3/3/2021							26,364(7)	$ 727,910
	3/3/2021					36,250(4)	$1,000,863		
Joseph F. Gordon	8/9/2013	15,075	0	101 68	8/9/2023				
	6/9/2016	15,582	0	23 92	6/9/2026				
	3/1/2017	40,231	0	14 38	3/1/2027				
	3/7/2018	40,568	0	15 32	3/7/2028				
	2/27/2019	29,526	14,764(1)	23 16	2/27/2029				
	2/27/2019					10,248(2)	$ 282,947		
	2/27/2019							7,102(3)	$ 196,086
	2/27/2019					5,074(4)	$ 140,093		
	2/26/2020	18,952	37,906(1)	24 77	2/26/2030				
	2/26/2020					5,642(5)	$ 155,776	3,001(6)	$ 82,858
	2/26/2020							4,502(7)	$ 124,300
	2/26/2020					9,004(4)	$ 248,600		
	3/3/2021	0	32,749(1)	32 56	3/3/2031				
	3/3/2021					3,378(8)	$ 93,267	5,492(9)	$ 151,634
	3/3/2021							16,476(7)	$ 454,902
	3/3/2021					23,892(4)	$ 659,658		

(1) Options vest one-third per year on the first, second and third anniversary of the grant date

(2) The amount reported is the number of common shares earned based on the average of the results of the 2019, 2020, and 2021 annual ROTC performance, which was 101% of target The common shares were distributed to the NEOs on February 28, 2022

(3) The amount reported is the number of common shares earned based on the Company's TSR at the end of the performance period The Company's TSR was at the 38th percentile of the Share Unit Peer Group's TSR, and the number of common shares earned was 70% of target The common shares were distributed to the NEOs on February 28, 2022

(4) RSUs and MRSUs vest one-third per year on the first, second, and third anniversary of the grant date

(5) The amount reported reflects the first and second tranches of the award and is shown at achievement of 94% of target The award vests based on ROTC, measured over three one-year periods, from 2020 through 2022 In connection with this offering, the Compensation Committee determined to adjust the terms of the PSUs granted in 2020 to provide that ROTC performance in respect of the 2022 performance period will be deemed to be achieved at target as of the completion of the IPO

(6) The amount reported is the target number of common shares for the third tranche of an award with three one-year periods One-third of such PSUs delivered will be based on ROTC for 2020 and one-third of such PSUs delivered will be based on ROTC for 2021, which were achieved at 65% and 123%, respectively, as described under "—2019 Performance Share Unit Vesting" and reflected in footnote 5 above In connection with this offering, the Compensation Committee determined to adjust the terms of the PSUs granted 2020 to provide that ROTC performance in respect of the 2022 performance period will be deemed to be achieved at target as of the completion of this offering The value shown above reflects target achievement for the 2022 measurement period The total number of PSUs delivered will be based on the average achievement with respect to each of the three one-year periods

Table of Contents

(7) The amount reported is the threshold number of common shares for 2020 and the maximum number of common shares for 2021; the actual amount earned will be determined in 2023 for the 2020 award and 2024 for the 2021 award The award vests as follows: If at the end of the TSR performance period, BHC's TSR equals or exceeds the 30th percentile of the Share Unit Peer Group's TSR, then 50% of the target common shares will be delivered; equals or exceeds the 50th percentile of the Share Unit Peer Group's TSR, then 100% of the target common shares will be delivered; equals or exceeds the 80th percentile of the Share Unit Peer Group's TSR, then 200% of the target common shares will be delivered However, if BHC's TSR for the TSR performance period is negative, no more than 100% of the target common shares will be delivered In connection with this offering, BHC's Compensation Committee determined to adjust the terms of the PSUs granted in each of 2020 and 2021 to provide that the last day of the TSR performance period applicable to such PSUs will be the date of the completion of the IPO, with actual achievement of the TSR performance metrics measured by BHC's Compensation Committee through such date

(8) The amount reported reflects the first tranche of the award for the first year of the three-year measurement periods and is shown at achievement of 123% of target The award vests based on ROTC, measured over the three one-year periods, from 2021 through 2024 In connection with this offering, BHC's Compensation Committee determined to adjust the terms of the PSUs granted in 2021 to provide that ROTC performance in respect of the 2022 performance period and the 2023 performance period will be deemed to be achieved at target as of the completion of the IPO

(9) The amount reported is the target number of common shares for the second and third tranches of an award with three one-year periods One-third of such PSUs delivered will be based on ROTC for 2021, which were achieved at 123% as described under "—Return On Tangible Capital Metrics" and reflected in footnote 8 above In connection with this offering, BHC's Compensation Committee determined to adjust the terms of the PSUs granted 2021 to provide that ROTC performance in respect of the 2022 and 2023 performance periods will be deemed to be achieved at target as of the completion of this offering The value shown above reflects target achievement for the 2022 and 2023 measurement periods The total number of PSUs delivered will be based on the average achievement with respect to each of the three one-year periods

(10) The amount reported is the target number of common shares These PSUs will be earned upon the achievement of (a) the operational separation of B+L from BHC and (b) the consummation of the spin-off distribution of B+L from BHC The number of PSUs that may be achieved is capped at 100% The earned PSUs will generally vest on the date the performance metric is achieved (or otherwise certified by the BHC Compensation Committee, if applicable)

Option Exercises and Stock Vested

The following table provides information regarding exercises of BHC Stock Options by our NEOs during 2021 and BHC common shares acquired on the vesting of RSUs held by our NEOs during 2021.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
Joseph C. Papa	—	—	544,384	17,779,152
Sam A. Eldessouky	—	—	26,274	858,832
Christina M. Ackermann	121,198	2,057,581	65,693	2,106,873
Joseph F. Gordon	—	—	37,079	1,207,652

(1) The amounts reflected in this column represent the market value of the underlying common shares of BHC as of the vesting date

[Table of Contents](#)

Potential Payments Upon Termination or Change in Control

The following is a summary of the arrangements between BHC and our NEOs which provide for the payment to our NEOs in connection with a change in control of BHC and/or a termination of the NEO's employment from BHC. This table assumes a termination date of December 31, 2021 and a BHC stock price of $27.61, which was the closing price of BHC's common shares on December 31, 2021, the last business day of the year. No amounts will become payable under the below described arrangements in connection with the closing of this offering or the completion of the Distribution.

	Termination without Cause or for Good Reason ($)	Termination within 12 months of Change in Control ($)	Termination due to Death or Disability ($)	Termination due to Retirement ($)
Joseph C. Papa				
Cash(1)	10,448,000	10,448,000	2,448,000	—
RSUs(3)	2,177,793	4,757,783	4,757,783	2,238,840
PSUs(4)	11,536,928	16,882,524	7,897,295	7,897,295
Stock Options(5)	—	996,184	996,184	996,184
Other Benefits(1)	28,966	28,966	—	—
Total Estimated Incremental Value	**24,191,687**	**33,113,457**	**16,099,262**	**11,132,319**
Sam A. Eldessouky				
Cash(2)	2,621,950	3,330,000	—	—
RSUs(3)	163,805	1,408,386	1,408,386	—
PSUs(4)	319,064	521,543	319,064	—
Stock Options(5)	—	86,681	86,681	—
Other Benefits	22,350	22,350	—	—
Total Estimated Incremental Value	**3,127,169**	**5,368,960**	**1,814,131**	—
Christina M. Ackermann				
Cash(2)	2,887,000	3,550,000	—	—
RSUs(3)	710,180	2,154,353	2,154,353	—
PSUs(4)	899,824	1,503,970	899,824	—
Stock Options(5)	—	246,985	246,985	—
Other Benefits(6)	33,191	33,191	—	—
Total Estimated Incremental Value	**4,530,195**	**7,488,499**	**3,301,162**	—
Joseph F. Gordon				
Cash(2)	2,359,600	2,890,000		
RSUs(3)	327,610	1,048,352	1,048,352	388,694
PSUs(4)	638,176	1,043,142	638,176	638,176
Stock Options(5)	—	173,353	173,353	173,353
Other Benefits(6)	20,467	20,467	—	—
Total Estimated Incremental Value	**3,345,853**	**5,175,314**	**1,859,881**	**1,200,223**

(1) If Mr Papa's employment is terminated by BHC without cause, or by Mr Papa for good reason, including within 12 months of BHC's change in control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), or upon the expiration of his employment term, Mr Papa will be entitled to receive a cash severance payment equal to the sum of two times the sum of his annual base salary and annual target incentive payable in a lump sum and a prorated annual incentive based on actual performance, as shown above in "Cash" under "Termination without Cause or for Good Reason" and "Termination within 12 months of a Change in Control " Mr Papa will also be entitled to receive continued health benefits for 24 months at active employee rates, as shown above in "Other Benefits" under "Termination without Cause or for Good Reason" and "Termination within 12 months of a Change in Control " For Mr Papa, "good reason" includes (i) a diminution of duties and responsibilities, including removing Mr Papa from the position of CEO; (ii) any reduction in base salary or target incentive opportunity; (iii) any relocation of Mr Papa's primary place of business that results in an increase of his one-way commute by 50 miles or more; and (iv) a material breach by BHC of a material provision of his employment agreement If employment is terminated as a result of death or

disability, BHC will pay any bonus earned but unpaid in respect to the fiscal year preceding the termination date, as shown above under "Termination due to Death or Disability."

(2) If the employment of Mr. Eldessouky, Ms. Ackermann or Mr. Gordon is terminated by us without cause, or by Mr. Eldessouky, Ms. Ackermann or Mr. Gordon for good reason, they will be entitled to receive (a) a cash severance payment equal to the sum of one and one-half times base salary and annual target incentive payable in a lump sum, (b) a prorated annual incentive for the year of termination equal to the lesser of (x) the annual incentive based on our actual performance and (y) annual target incentive, (c) a cash payment equal to the remaining 50% of the Bausch + Lomb separation bonus, (d) continued health benefits for 12 months at active employee rates, and, (e) for Ms. Ackermann, outplacement support, as shown above under "Termination without Cause or for Good Reason." As previously disclosed, BHC's Compensation Committee approved an increase in the cash severance payment described in (a) from one times base salary and annual target incentive, effective January 1, 2021 through December 31, 2023. For Mr. Eldessouky, Ms. Ackermann and Mr. Gordon, "good reason" includes (i) a material reduction in duties and responsibilities, including a removal from their current position; (ii) any reduction in base salary or target incentive opportunity which is not comparable to the reductions for other similarly situated executive officers; and (iii) a material breach by us of a material provision of their employment agreement. For Mr. Gordon and Mr. Eldessouky, "good reason" also includes any relocation of his primary place of business that results in an increase in one-way commute by 50 miles or more. If such termination occurs in contemplation of our change in control or within 12 months following our change in control, Mr. Eldessouky, Ms. Ackermann and Mr. Gordon will be entitled to receive a cash severance payment equal to (a) two times the sum of annual base salary and annual target incentive payable in a lump sum, (b) a prorated annual target incentive for the year of termination, (c) continued health benefits for 12 months at active employee rates, and, (d) for Ms. Ackermann, outplacement support, as shown above under "Termination within 12 months of a Change in Control."

(3) Pursuant to the terms of the equity award agreements governing the NEOs' RSUs, including Mr. Papa's and Ms. Ackermann's MRSUs, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason) following the first anniversary of the applicable grant date, unvested RSUs will vest pro-rata, and if their employment is terminated due to death or disability, all unvested RSUs will vest. Therefore, no value is shown above for the 2021 RSUs under "Termination without Cause or for Good Reason." Under these agreements, if an NEO is terminated without cause (or, by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason) within 12 months of a change in control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), all unvested RSUs will vest. For the NEOs' RSUs, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, all unvested RSUs will vest. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown for the 2021 RSUs separately above for "Termination due to Retirement."

(4) Pursuant to the terms of the equity award agreements governing the NEOs' PSUs, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), or upon death or disability, they will be entitled to prorated vesting of unvested PSUs at actual performance as shown above under "Termination without Cause or for Good Reason" and "Termination due to Death or Disability." This vesting treatment for the PSUs applies beginning after the first anniversary of the grant date. Therefore, no value is shown above for the 2021 PSUs under "Termination without Cause or for Good Reason" or "Termination due to Death or Disability." If their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), in each case within 12 months of BHC's change of control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), unvested PSUs will vest pro-rata based on target performance through the termination date (or, if later, the date of the change in control). In the event the PSUs are not assumed or substituted in connection with the change of control, unvested PSUs will vest pro-rata based on target performance on the date of such change of control. For the NEOs' PSUs, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, any unvested portion of the PSU will vest pro-rata based on actual results. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown separately above for the 2021 PSUs for "Termination due to Retirement."

(5) Pursuant to the terms of the equity award agreements governing the NEOs' stock options, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), in either case within 12 months of BHC's change of control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), or in the case of death or disability, unvested options will vest in full. For the NEOs' stock options, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, all unvested options will vest. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown separately above for the 2021 stock options for "Termination due to Retirement."

Bausch + Lomb Corporation 2022 Omnibus Incentive Plan

Prior to this offering, Bausch + Lomb intends to adopt the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan (the "Omnibus Plan"), which will permit us to grant equity-based and cash-based incentive awards to our NEOs and our other employees and service providers including our non-employee directors and consultants.

The following is a summary of the material terms and conditions of the Omnibus Plan. This summary is qualified in its entirety by reference to the form of Omnibus Plan that is filed as an exhibit to the registration statement of which this prospectus forms a part.

Table of Contents

Purpose

The purpose of the Omnibus Plan is to align the long-term financial interests of our employees, directors, consultants and other service providers with our shareholders, attract and retain such service providers and provide incentives to those individuals who are expected to contribute significantly to our long-term performance and growth.

Shares Available Under the Omnibus Plan

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, the maximum number of our common shares which may be issued pursuant to Awards (as defined below) under the Omnibus Plan will be equal to 28,000,000 shares (which reflects 8% of the number of fully-diluted outstanding common shares as of the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC, assuming the over-allotment option is fully exercised by the underwriters) ("Initial Share Pool"), *plus* the number of shares underlying awards originally granted under the Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (as amended and restated effective as of April 28, 2020) that are converted into Awards with respect to the Company's common shares at the Distribution pursuant to the Employee Matters Agreement (the "Converted Awards") as described in more detail under "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement—Treatment of Outstanding Equity Awards." Shares underlying "substitute awards" (i.e., awards granted as replacements for awards granted by a company that we or one of our subsidiaries acquires or with which we or one of our subsidiaries combines) will not reduce the number of our common shares available for issuance under the Omnibus Plan.

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, (i) in any calendar year, no participant who is a non-employee director of Bausch + Lomb shall be granted Awards, in either equity, cash or other compensation, with an aggregate fair market value as of the grant date or payment date, as applicable, in excess of $750,000; (ii) the number of our common shares issuable to certain reporting insiders ("Insiders"), at any time, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 10% of our issued and outstanding common shares; (iii) the number of our common shares issued to Insiders, within any one year period, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 10% of issued and outstanding securities; and (iv) the number of our common shares issuable to non-employee members of the Board, at any time, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 1% of our issued and outstanding common shares. The Omnibus Plan does not otherwise provide for a maximum number of common shares which may be issued to an individual pursuant to the Omnibus Plan and any other security-based compensation arrangements of Bausch + Lomb (expressed as a percentage or otherwise). In addition, subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, the maximum number of our common shares available for issuance with respect to incentive stock options will be equal to the Initial Share Pool.

If any common shares subject to an Award are forfeited, canceled, exchanged or surrendered, or if an Award terminates or expires without a distribution of common shares to the participant, the common shares with respect to the Award (other than a Converted Award or Substitute Award) shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Omnibus Plan; however, the common shares surrendered or withheld as payment of either the exercise price of an option (including common shares otherwise underlying an award of a share appreciation right ("SAR") that are retained by the Company to account for the exercise price of the SAR) and/or withholding taxes in respect of an Award will no longer be available for Awards under the Omnibus Plan.

Administration of the Omnibus Plan

Except as otherwise required by law or as designated otherwise by our Board of Directors, the Omnibus Plan will be administered by our Talent and Compensation Committee. Our Talent and Compensation Committee will have full power and authority to administer the Omnibus Plan, including, among other things, to interpret the Omnibus Plan and adopt any administrative rules, regulations, procedures and guidelines governing the Omnibus Plan or any Awards granted under the Omnibus Plan as it deems to be appropriate.

Eligibility

Generally, employees, directors and consultants of Bausch + Lomb, its subsidiaries and its affiliates will be eligible to receive Awards under the Omnibus Plan, as selected by our Talent and Compensation Committee in its discretion in furtherance of the purpose of the Omnibus Plan (as described above). In addition, current BHC employees and other service providers are eligible to participate in the Omnibus Plan solely with respect to any Converted Awards received by such individuals in connection with the Distribution pursuant to the terms of the Employee Matters Agreement

Types of Awards

Awards under the Omnibus Plan (the "Awards") may include one or more of the following: (i) stock options (both non-qualified and incentive stock options), (ii) SARs, (iii) share units, (iv) restricted shares, (v) deferred shares, (vi) share payment, (vii) cash-based awards and (viii) Converted Awards. All of the Awards will be subject to the conditions, limitations, restrictions, exercise price (as applicable), vesting and forfeiture provisions (including service- and performance-based vesting conditions) determined by our Talent and Compensation Committee, in its sole discretion, subject to such limitations as are provided in the Omnibus Plan as described below; provided that, the terms and conditions of the Omnibus Plan apply to Converted Awards only to the extent that such terms and conditions are not inconsistent with the terms of the Employee Matters Agreement and the terms of the applicable Converted Awards assumed by the Company in accordance with the Employee Matters Agreement. In addition, subject to the limitations provided in the Omnibus Plan and in accordance with applicable law, our Talent and Compensation Committee may accelerate or defer the vesting or payment of awards, cancel or modify outstanding Awards, and waive any conditions or restrictions imposed with respect to Awards or our common shares issued pursuant to Awards, including in connection with a "change of control" or a qualifying termination of employment during a specified period following a change of control, as set forth in the Omnibus Plan and described under "—Change of Control."

Non-qualified Stock Options

An Award of a non-qualified stock option will grant a participant the right to purchase a certain number of common shares during a specified term in the future, after a vesting period, at an exercise price equal to at least 100% of the Market Price (as defined below) of our common shares on the grant date (except in the case of Converted Awards and Substitute Awards). The "Market Price" of common shares as of a particular date generally means the closing price per common share on the national securities exchange on which the common shares are principally traded (subject to certain exceptions set forth in the Omnibus Plan in the event that our common shares are no longer traded on a national securities exchange). The term of a non-qualified stock option will not exceed ten years from the date of grant. The exercise price may be paid with cash, common shares already owned by the participant (subject to applicable corporate and securities laws), or with the proceeds from a sale of the common shares subject to the option. Our Talent and Compensation Committee may also provide that an option may be "net exercised", meaning that the participant would receive the number of whole common shares equal to (A) the difference between (x) the aggregate Market Price of the common shares subject to the portion of such option then being exercised and (y) the aggregate exercise price for all such common shares under the portion thereof then being exercised plus (to the extent it would not give rise to adverse accounting consequences pursuant to applicable accounting principles or to adverse tax consequences to participants under Canadian federal, provincial or territorial tax laws) the amount of withholding tax due upon exercise divided by (B) the Market Price of a common share on the date of exercise. Any fractional share that would result from such equation will be canceled. A non-qualified stock option is an option that does not meet the qualifications of an incentive stock option as described below.

Incentive Stock Options

An incentive stock option is a stock option that meets the requirements of Section 422 of the Code, which include an exercise price of no less than 100% of Market Price on the grant date, a term of no more than ten years, and that the option be granted from a plan that has been approved by shareholders. Notwithstanding the foregoing, if granted to a participant who owns shares representing more than 10% of the voting power of all classes of shares of the Company, its parent or one of its subsidiaries, an incentive stock option will have a term of not more than five years and have an exercise price which is at least 110% of the Market Price. In addition, if the aggregate Market Price of the common shares (as of the grant date) for which incentive stock options are exercisable for the first time by a participant during any calendar year exceeds $100,000, such excess will be treated as non-qualified stock options.

Share Appreciation Rights

A SAR entitles the participant to receive an amount equal to the difference between the Market Price of the Company's common shares on the exercise date and the exercise price of the SAR (which may not be less than 100% of the Market Price of a common share on the grant date (except in the case of Converted Awards and Substitute Awards)), multiplied by the number of common shares subject to the SAR. A SAR may be granted in substitution for a previously granted option, and, if so, the exercise price of any such SAR may not be less than 100% of the Market Price of common shares as determined at the time the option for which it is being substituted was granted. Payment to a participant upon the exercise of a SAR may be in cash or common shares (in which case, the number of common shares to be paid will be determined by dividing the amount calculated above by the Market Price of a common share at the time of payment).

Share Units

A share unit is an Award that represents the right to receive common shares or cash equal to the Market Price of a common share, subject to terms and conditions determined by our Talent and Compensation Committee. The vesting of share units may be subject to the achievement of specified performance criteria to be achieved in any performance period, with a performance multiplier ranging from 0% to such applicable percentage as determined by our Talent and Compensation Committee in its discretion. Share units may be settled in cash, common shares or a combination of both.

Restricted Shares

A restricted share award is an Award of common shares that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by our Talent and Compensation Committee, and which may be forfeited if conditions to vesting are not met. Subject to any required Toronto Stock Exchange approval at the relevant time, participants will generally be entitled to provide voting instructions with respect to the common shares underlying their restricted share awards.

Deferred Shares

A deferred share award is an unfunded, unsecured promise to deliver common shares to the participant in the future, if the participant satisfies the conditions to vesting, as determined by our Talent and Compensation Committee. Participants who hold deferred share awards do not have voting rights.

Share Payment

Subject to limits in the Omnibus Plan, our Talent and Compensation Committee may issue unrestricted common shares, alone or in tandem with other Awards, in such amounts and subject to such terms and conditions as our Talent and Compensation Committee determines. A share payment may be granted as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

Cash Awards

Our Talent and Compensation Committee may issue Awards that are payable in cash, as deemed by our Talent and Compensation Committee to be consistent with the purposes of the Omnibus Plan. These cash awards will be subject to the terms, conditions, restrictions and limitations determined by our Talent and Compensation Committee from time to time. The payment of cash awards may be subject to the achievement of specified performance criteria.

Converted Awards

BHC Awards that are converted into B+L Awards pursuant to the Employee Matters Agreement will be governed by the Omnibus Plan. The terms of such Awards are described in more detail "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement—Treatment of Outstanding Equity Awards".

Deferrals

Our Talent and Compensation Committee may postpone the exercise of Awards, or the issuance or delivery of common shares or cash pursuant to any Award for such periods and upon such terms and conditions as the Talent and Compensation Committee determines. In addition, our Talent and Compensation Committee may determine that all or a portion of a payment to a participant, whether in cash and/or common shares, will be deferred in order to prevent the Company or any subsidiary from being denied a U.S. federal income tax deduction with respect to an Award granted under the Omnibus Plan. Notwithstanding this authority, our Talent and Compensation Committee will not postpone the exercise or delivery of shares or cash payable in respect of Awards constituting deferred compensation under Section 409A of the Code, where such postponement will cause the imposition of additional taxes under Section 409A of the Code. Section 409A of the Code provides rules that govern the manner in which compensation of various types may be deferred and imposes taxes upon compensation that is improperly deferred or accelerated.

Blackout Periods

The Omnibus Plan will provide that (i) if the expiration of the term of options or SARs awarded under the Omnibus Plan occurs during a period self-imposed by the Company during which a participant is prohibited from trading in the Company's securities (a "Blackout Period") such term will be extended until the tenth business day after the end of such Blackout Period (subject to any limitations set forth under Section 409A of the Code), and (ii) if share units are to be delivered during a Blackout Period, the common shares subject to such share units will be delivered as soon as practicable after the end of such Blackout Period (subject to any limitations set forth under Section 409A of the Code).

Dividends and Dividend Equivalents

No stock options or SARs will be eligible for the payment of dividends or dividend equivalents. For Awards other than stock options and SARs (restricted share awards, deferred share awards and share units), our Talent and Compensation Committee may provide that Participants may earn dividends or dividend equivalents, as applicable, subject to such terms, conditions, restrictions and limitations as our Talent and Compensation Committee may establish and subject to the applicable regulations of the Toronto Stock Exchange. However, dividends or dividend equivalents (i) shall have the same vesting dates and shall be paid in accordance with the same terms as the Awards to which they relate and (ii) with respect to any Award subject to the achievement of performance criteria, shall not be paid unless and until the relevant performance criteria have been satisfied. Such dividends or dividend equivalents shall be in the same amount as the dividend the participant would have received had the common shares underlying the Award been distributed to the participant as of immediately prior to the record date of such dividend.

Adjustments

In the event of any changes in our capital structure (including a change in the number of our common shares outstanding) on account of any share dividend, share split, reverse share split or any similar equity restructuring, or any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization or similar event, or in the event of changes in applicable laws, regulations or accounting principles or to the extent necessary to prevent the enlargement or diminution of participants' rights by reason of any such transaction or event or any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to shareholders, our Talent and Compensation Committee shall make appropriate equitable adjustments to the maximum number and type of our common shares (or other securities) available for issuance under the Omnibus Plan and other limits stated in the Omnibus Plan, the number of common shares covered by outstanding Awards, and the exercise prices and performance measures applicable to outstanding Awards. These adjustments will be made only to the extent they conform to the requirements of applicable provisions of the Code and other applicable laws and regulations. Our Talent and Compensation Committee, in its discretion, may decline to adjust an Award if it determines that the adjustment would violate applicable law or result in adverse tax consequences to the participant or to the Company. Adjustments described in this paragraph are subject to any applicable regulatory approvals.

Terminations

Unless the applicable award agreement provides otherwise, or our Talent and Compensation Committee determines otherwise, (i) vesting with respect to an Award will cease upon termination of a participant's employment or service with the Company, and unvested Awards shall be forfeited upon such termination and (ii) in the case of termination for cause, vested Awards shall also be forfeited.

Clawback

Our Talent and Compensation Committee may provide that a Participant's rights, payments and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include termination of employment or service, violation of material policies, breach of non-competition, non-solicitation, confidentiality or other restrictive covenants, or requirements to comply with minimum share ownership requirements, or other conduct by a participant that is detrimental to the business or reputation of the Company and/or its affiliates. Our Talent and Compensation Committee also has authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes.

Change of Control

The Omnibus Plan will provide that, unless otherwise set forth in a participant's award agreement, our Talent and Compensation Committee may take such action as it determines is appropriate with respect to any outstanding Awards in the event of a "change of control" (as defined in the Omnibus Plan), including (i) the continuation or assumption of Awards by the Company (if it is the surviving corporation) or by the successor or surviving entity or its parent; (ii) substitution or replacement of Awards by the successor or surviving entity or its parent with cash, securities, rights and/or other property to be paid or issued, as the case may be, by the successor or surviving entity (or a parent or subsidiary thereof), with substantially the same terms and value as Awards (including any applicable performance targets and criteria), (iii) the acceleration of the vesting and the lapse of any restrictions, and in the case of any Option or SAR Award, acceleration of the right to exercise such Award during a specified period, (iv) the cancellation of any Award in consideration of a payment in cash or, subject to any required Toronto Stock Exchange approval, securities, rights and/or other property equal to the value of such Award, (v) with respect to Awards that are assumed or substituted in connection with a change of control transaction, in the event the participant's employment or service is terminated by the Company without "cause" or resigns for "good reason" (each as defined in the Omnibus Plan) within 12 months following the change of control, such Awards will become fully vested and exercisable and any performance conditions on those Awards will be deemed to be achieved at target performance levels (or at other such other level as determined by our Talent and Compensation Committee or specified in the definitive transaction documentation in connection with such change of control) and (vi) immediately upon the occurrence of the change of control transaction, all Awards that are not assumed or substituted in connection with the change of control transaction will become fully vested (on a pro rata basis, if applicable), exercisable and free of restrictions and any performance conditions on those Awards will be deemed to be achieved at target performance levels (or at such other level as determined by our Talent and Compensation Committee or specified in the definitive transaction documentation in connection with such change of control).

Assignability

Except as permitted by our Talent and Compensation Committee, provided in an award agreement, or in specific circumstances described in the Omnibus Plan, Awards granted under the Omnibus Plan may not be sold, pledged, hypothecated, assigned, margined or otherwise transferred in any manner other than by will or the laws of descent and distribution, unless and until the common shares underlying such Award have been issued, and all restrictions applicable to such common shares have lapsed or have been waived by our Talent and Compensation Committee.

No Repricing

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, no action will directly or indirectly, through cancellation and regrant or any other method, reduce, or have the effect of reducing, the exercise price of any "underwater" stock option or SAR without approval of the Company's shareholders. A stock option or SAR will be deemed to be "underwater" at any time when the market value of our common shares covered by such Award is less than the exercise price of the Award.

Amendment and Plan Termination

Subject to certain restrictions, the Omnibus Plan and any Award may be amended, suspended or terminated at any time by our Board of Directors, provided that no amendment will be made without shareholder approval if such shareholder approval is required in order to comply with applicable law or the rules of the New York Stock Exchange, the rules of the Toronto Stock Exchange or any other securities exchange on which our common shares are traded or quoted. For instance, the Board may, without shareholder approval but subject to applicable law and the provisions of the Omnibus Plan, take actions including, but not limited to (i) amending the vesting provisions of an Award or of the Omnibus Plan, (ii) amending the payment provisions of an Award, (iii) cancelling or modifying outstanding Awards, (iv) waiving any restrictions imposed with respect to Awards or the common shares issued pursuant to Awards or of the Omnibus Plan, (v) amending the provisions of the Omnibus Plan in order to ensure its compliance with applicable securities and tax law as well as the rules of the New York Stock Exchange or Toronto Stock Exchange, (vi) making any amendment of a clerical nature as well as any amendment clarifying any provision of the Omnibus Plan, (vii) making any adjustment as described above under the heading "Adjustments", and (viii) suspending or terminating the Omnibus Plan. Subject to the change of control provisions of the Omnibus Plan and except as may be required to comply with applicable tax law, no termination, suspension or amendment of the Omnibus Plan may adversely affect the right of any participant with respect to a previously granted Award without the participant's written consent.

The Company will obtain shareholder approval for: (i) subject to our Talent and Compensation Committee's obligation to make equitable adjustments as mentioned above, a reduction in the exercise price or purchase price of an Award (or the cancellation and re-grant of an Award resulting in a lower exercise price or purchase price); (ii) the extension of the original term of an option over the maximum period of 10 years described above, except if such term occurs during a Blackout Period as described above; (iii) any amendment to the maximum number of common shares available for issuance with respect to incentive stock options; (iv) any amendment to remove or to exceed the participation limits described in the Omnibus Plan; (v) an increase to the maximum number of common shares issuable under the Omnibus Plan (other than adjustments described above under the heading "Adjustments"); (v) amendments to the amendment and termination section of the Omnibus Plan other than amendments of a clerical nature; (vi) any amendment that permits Awards to be transferable or assignable other than for normal estate settlement purposes or for other purposes not involving the receipt of monetary consideration and (vii) and any amendments where shareholder approval is required to comply with applicable law or the rules of the New York Stock Exchange, the Toronto Stock Exchange or any other securities exchange on which the common shares are traded or quoted.

Effective Date; Plan Term

The Omnibus Plan will become effective on the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC, subject to approval of the Omnibus Plan by our Board and BHC, in its capacity as the sole stockholder of Bausch + Lomb The Omnibus Plan will remain in effect until the earlier of (i) the date all common shares subject to the Omnibus Plan have been purchased or acquired according to the Omnibus Plan's provisions or (ii) the tenth anniversary of the effective date of the Plan (the "Plan Term"). No Awards will be granted under the Omnibus Plan after such termination date, but Awards granted prior to such termination date shall remain outstanding in accordance with their terms (including the administration, adjustment, and amendment provisions).

Director Compensation

We have not paid any director compensation for service on the Board of Directors prior to this offering. Prior to the completion of this offering, we intend to adopt a director compensation program, the terms of which are summarized below.

Our non-employee directors will be eligible to receive the following annual retainers and annual equity compensation grants:

- Board Member: Each non-employee director of the Board of Directors will receive an $80,000 annual cash retainer and annual equity retainer in the form of RSUs with a target grant date fair value of $225,000. These annual grants of RSUs vest and are deliverable prior to the next annual meeting of shareholders, unless the director elects to defer issuance of common shares underlying the RSUs until the director's separation from the Company. Upon the completion of this offering, our non-employee directors will receive an annual equity retainer grant.
- Non-Executive Chairperson and Lead Director: Directors will receive an additional $150,000 for their service as an independent Chairman and $40,000 for their service as Lead Director, as applicable.
- Committee Chairs: Chairs of the audit, talent and compensation and nominating and corporate governance committees will receive an additional $25,000, $20,000 and $15,000, respectively, as an annual cash retainer.
- Committee Members: Non-chair Members of the audit, talent and compensation and nominating and corporate governance committees will receive an additional $12,500, $10,000 and $7,500, respectively, as an annual cash retainer.

Under the director compensation program, our directors may elect to receive their fees in cash, in RSUs, or in a combination of cash and RSUs. RSUs received pursuant to this election are paid in a lump sum of common shares at the end of such director's service with the Company. All fees, whether payable in cash or RSUs, are delivered in quarterly installments, with the exception of the additional fee for the Lead Independent Director, which is paid once annually on the third day following each annual meeting of shareholders. In addition to the above fees, directors are also reimbursed for their out-of-pocket expenses in attending in-person meetings.

Table of Contents

PRINCIPAL AND SELLING SHAREHOLDER

We will not receive any proceeds from the sale of common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder, which is a wholly-owned subsidiary of our parent company, BHC. Prior to the effectiveness of this registration statement of which this prospectus is a part of, we are a wholly-owned subsidiary of BHC. The selling shareholder owns the common shares being sold in this offering.

The following table sets forth certain information regarding beneficial ownership of our common shares as of April 28, 2022, and as adjusted to reflect the sale of common shares in this offering, for:

- each person known to us to be the beneficial owner of more than 5% of our common shares;
- each of the directors, director nominees and named executive officers individually; and
- all of our executive officers and directors as a group.

In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of April 28, 2022. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. The percentage of beneficial ownership for the following table is based on 350,000,000 common shares outstanding on a pro forma basis giving effect to the Separation. Unless otherwise indicated, the address for each listed shareholder is: Bausch + Lomb Corporation, 520 Applewood Crescent Vaughan, Ontario, Canada L4K 4B4. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all common shares.

Beneficial ownership representing less than 1% is denoted with an asterisk (*).

	Shares Beneficially Owned Prior to the Completion of this Offering		Shares Beneficially Owned After the Completion of this Offering(1)	
Name of beneficial owner	Number of shares	Percentage of shares	Number of shares	Percentage of shares
5% Shareholders				
BHC(2)	350,000,000	100.0%	315,000,000	90.0%
Executive Officers and Directors				
Joseph C. Papa	—	0%	—	0%
Sam A. Eldessouky	—	0%	—	0%
Christina M. Ackermann	—	0%	—	0%
Joseph F. Gordon	—	0%	—	0%
Yehia Hashad	—	0%	—	0%
Nathalie Bernier	—	0%	—	0%
Sarah B. Kavanagh	—	0%	—	0%
Russel C. Robertson	—	0%	—	0%
Thomas W. Ross, Sr.	—	0%	—	0%
Richard U. De Schutter	—	0%	—	0%
Andrew C. von Eschenbach	—	0%	—	0%
John Paulson	—	0%	—	0%
Directors and officers as a group (twelve individuals)		0%		0%

(1) Assumes no exercise of the underwriters' over-allotment option. See "Underwriting."
(2) Represents shares owned by BHC directly and indirectly through 1261229 B.C. Ltd., the selling shareholder, which is a wholly-owned subsidiary of BHC, as to which BHC has ultimate beneficial ownership. The address of BHC is BHC Corporation, 520 Applewood Crescent Vaughan, Ontario Canada L4K 4B4.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than compensation arrangements, which are described where required under "Management—Board of Directors Structure and Compensation of Directors" and "Executive Compensation."

Relationship with BHC

Historical Relationship with BHC

BHC currently provides certain services to us, and direct, indirect and allocated costs for such services associated with these functions have been allocated to us. The allocations include costs related to corporate services, such as executive management, information technology, legal, finance and accounting, human resources, tax, treasury, research and development, sales and marketing, shared facilities and other services. These costs were allocated on a basis of revenue, headcount or other measures we have determined as reasonable. These allocations reflect expense allocations for certain support functions that are provided on a centralized basis within BHC, such as expenses for business technology, facilities, legal, finance, human resources, business development, public affairs and procurement, as well as certain manufacturing and supply costs incurred by manufacturing sites that are shared with other BHC business units that may be higher or lower than the comparable expenses we would have actually incurred, or will incur in the future, as a standalone company. Following the completion of this offering, we expect BHC to continue to provide many of the services described above on a transitional basis for a fee. These services will be provided under the Transition Services Agreement described below.

In addition, the Company has certain existing agreements and arrangements with BHC and its subsidiaries pertaining to the distribution or manufacturing of, or the provisions of services with respect to, our and BHC's products, which are not otherwise covered by the Transition Services Agreement and which are expected to continue for a period of time following the Separation until the parties can make alternate arrangements. The value of the goods and services provided under these agreements and arrangements for the years ended December 31, 2021, 2020 and 2019 was approximately $12 million, $11 million and $13 million, respectively. The terms of these agreements and arrangements have been negotiated at arm's length.

BHC as our Controlling Shareholder

Prior to the completion of this offering, through a series of steps, BHC has agreed to transfer to us substantially all of the assets and liabilities of the Bausch + Lomb Business. In exchange, we have assumed certain intercompany debt owed by BHC to an affiliate that was transfered to us by BHC and issued to BHC, directly or indirectly, all of our issued and outstanding common shares and the BHC Purchase Debt. Immediately following the completion of this offering, BHC will beneficially own approximately 90.0% of our outstanding common shares (or 88.5% if the underwriters' option to purchase additional common shares is exercised in full). BHC expects in all cases to retain at least 80.1% of the Company's outstanding common shares immediately following the completion of this offering. See "The Separation and the Distribution" and "Risk Factors—Risks Relating to the Separation."

For as long as BHC continues to, directly or indirectly, control more than 50% of our outstanding common shares, BHC or its successor-in-interest will be able to direct the election of all the members of our Board of

Directors. Similarly, subject to applicable laws relating to the protection of minority shareholders in certain situations, BHC will have the power to determine matters submitted to a vote of our shareholders without the consent of our other shareholders, will have the power to prevent a change in control of us and will have the power to take certain other actions that might be favorable to BHC. In addition, the Master Separation Agreement provides that, as long as BHC beneficially owns at least 50% of the total voting power of our outstanding share capital entitled to vote in the election of our Board of Directors, we will not (without BHC's prior written consent or, in certain circumstances, the approval of the BHC Board of Directors) take certain actions. In addition, to preserve the tax-free treatment of the Distribution as currently anticipated for U.S. federal income tax purposes, the Master Separation Agreement includes certain covenants and restrictions to ensure that, until the completion of the Distribution or the determination by BHC that it will not pursue a Distribution, BHC will retain beneficial ownership of at least 80.1% of our combined voting power and 80.1% of each class of nonvoting capital stock, if any is outstanding.

The selling shareholder, BHC, our executive officers and our directors have agreed not to sell or otherwise dispose of any of our common shares for a period of 125 days from the date of this prospectus without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, subject to earlier release under certain conditions. See "Underwriting." However, there can be no assurance concerning the period of time during which BHC will maintain its ownership of our common shares following the completion of this offering.

BHC has informed us that, at some time in the future, but no earlier than the expiration or earlier waiver or release of the lock-up described below under "Underwriting," it currently intends to transfer all or a portion of its remaining equity interest in us to its shareholders in a transaction that is generally expected to be tax-free for U.S. federal income tax purposes. BHC may abandon or change the structure of the Distribution subject to the terms and conditions set forth in the Master Separation Agreement and the Arrangement Agreement

Agreements between BHC and Our Company

In connection with this offering, the Separation and the Distribution, we and BHC have entered into certain agreements that provide a framework for our ongoing relationship with BHC. Of the agreements summarized below, the material agreements are filed as exhibits to the registration statement of which this prospectus is a part, and the summaries of these agreements set forth the terms of the agreements that we believe are material. These summaries are qualified in their entirety by reference to the full text of such agreements.

Master Separation Agreement

We have entered into the Master Separation Agreement with BHC that, together with the other agreements summarized below, governs the relationship between BHC and us following the completion of this offering.

Separation of Assets and Liabilities. The Master Separation Agreement generally allocates assets and liabilities to us and BHC according to the business to which such assets or liabilities relate. In particular, the Master Separation Agreement provides, among other things, that, subject to the terms and conditions contained therein:

- substantially all of the assets primarily related to the businesses and operations of BHC's Bausch + Lomb Business, which we refer to as the "Bausch + Lomb Assets," will be transferred to us or one of our subsidiaries;
- certain liabilities (whether accrued or matured, contingent or otherwise and regardless of whether arising or accruing before, on or after the completion of this offering) related to or arising out of the Bausch + Lomb Assets, and other liabilities related to the businesses and operations of BHC's Bausch + Lomb Business, which we refer to as the "Bausch + Lomb Liabilities," will be retained by or transferred to us or one of our subsidiaries;

- all of the assets and liabilities (whether accrued, contingent or otherwise and regardless of whether arising or accruing before, on or after the completion of this offering) other than the Bausch + Lomb Assets and the Bausch + Lomb Liabilities (such assets and liabilities, other than the Bausch + Lomb Assets and the Bausch + Lomb Liabilities, are referred to as the "Parent Assets" and the "Parent Liabilities," respectively) will be retained by or transferred to BHC or its subsidiaries; and
- certain shared contracts may need to be transferred or assigned, in part, to us or our subsidiaries or may need to be amended.

Claims. In general, subject to certain identified exceptions, pursuant to the Master Separation Agreement, we have assumed liability for all pending, threatened and unasserted legal matters exclusively related to our business or our assumed or retained liabilities (as identified in the Master Separation Agreement). For certain legal matters that are not related exclusively to our business or BHC's business, we intend to cooperate and consult with each other to maintain a joint defense with respect to such legal matters.

Intercompany Accounts. The Master Separation Agreement provides that, subject to any provisions in the Master Separation Agreement or any other ancillary agreement described therein to the contrary, immediately prior to or as promptly as practicable after the Separation, all intercompany accounts between BHC and its subsidiaries, on the one hand, and the Company and its subsidiaries, on the other hand, will be repaid or settled.

Internal Transactions. The Master Separation Agreement provides for certain internal transactions related to our separation from BHC in accordance with a mutually agreed plan and structure that will occur prior to the completion of this offering.

Delayed Transfers and Further Assurances. To the extent transfers of assets and assumptions of liabilities related to the Bausch + Lomb Business have not been completed (for example, because of a necessary governmental or third party approval or notification), the parties will use commercially reasonable efforts to obtain or make applicable approvals or notifications with respect thereto as soon as reasonably practicable. In the event that any such transfer has not been consummated prior to the closing of this offering, the party retaining any asset that otherwise would have been transferred shall hold such asset in trust for the use and benefit of the party entitled thereto and retain such liability for the account of the party by whom such liability is to be assumed, in each case to the extent reasonably possible and permitted by applicable law, and take such actions reasonably requested by the other party in order to place such party, in a substantially similar position as would have existed had such asset or liability been transferred prior to the closing of this offering.

Representations and Warranties. In general, neither we nor BHC has made any representations or warranties regarding any assets or liabilities transferred or assumed. Except as expressly set forth in the Master Separation Agreement, all assets will be transferred on an "as is," "where is" basis, and the respective transferees will bear the economic and legal risks that conveyed assets are not sufficient to operate the applicable business or that the title to any of the conveyed assets shall be other than good and marketable title, free and clear of any lien.

The Initial Public Offering and Cooperation with the Exchange. The Master Separation Agreement governs our and BHC's respective rights and obligations regarding this offering. Pursuant to the Master Separation Agreement, we and BHC will each use commercially reasonable efforts to take all actions necessary to consummate this offering. Subject to the terms and conditions of the Master Separation Agreement, BHC may determine the terms of, and whether to proceed with, this offering or other distribution of our shares by BHC.

Conditions. The Master Separation Agreement also provides that the following conditions, among others, must be satisfied or waived by BHC, in its sole and absolute discretion, before either this offering and the separation transactions can occur or any subsequent distribution by means of plan of arrangement, a spin-off, split-off or other distribution of our shares by BHC can occur:

- approval has been given by BHC's and our Board of Directors;

- with respect to the Distribution, receipt of applicable shareholder approvals;
- with respect to the Distribution, the interim and final orders of the British Columbia Supreme Court providing for, among other things, the approval of the plan of arrangement shall have been obtained;
- all necessary actions or filings under applicable U.S. federal, U.S. state, Canadian or other securities law and rules and regulations thereunder in connection with this offering and the Distribution, as applicable, shall have been taken or made, and, where applicable, become effective or been accepted by the applicable governmental authority;
- the portion of our common shares to be issued and new common shares of BHC to be distributed to BHC's shareholders pursuant to the Arrangement Agreement, as applicable, have been accepted for listing on the NYSE and the TSX;
- with respect to the Distribution, BHC has received the U.S. Tax Opinion (and, if elected by BHC, a U.S. Tax Ruling);
- with respect to the Distribution, BHC has received an opinion from an independent appraisal firm confirming the solvency and financial viability of BHC prior to the Distribution and of Bausch + Lomb and BHC after completion of the Distribution, and such opinions shall be acceptable to BHC in form and substance in the sole discretion of the BHC Board and shall not have been withdrawn or rescinded;
- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing completion of the Distribution, the Separation or any of the transactions related thereto, as applicable, shall be in effect, and no other event outside the control of BHC shall have occurred or failed to occur that prevents the completion of the Distribution, the Separation or any transactions related thereto, as applicable; and
- with respect to the Distribution, all governmental approvals necessary to consummate the Distribution have been received and shall be in full force and effect.

BHC has the right to not complete the Distribution, at any time for any reason, including if, at any time, the BHC Board determines, in its sole and absolute discretion, that such transaction is not in the best interests of BHC or its shareholders or is otherwise not advisable

D&O Insurance. Our directors and officers will obtain coverage under a directors' and officers' insurance program to be established by us at our expense. In addition, for a period of six years after we are removed from the prior BHC policies, BHC has agreed to use commercially reasonable efforts to provide directors' and officers' insurance in respect of the Separation, this offering and acts or omissions occurring at or prior to the time we are removed from the prior BHC policies to current and former directors and officers of BHC and the Company, 67% of the cost of which shall be borne by BHC and 33% of the cost of which shall be borne by the Company. Otherwise, we expect that such insurance policies will become effective prior to the completion of this offering, but in any event prior to the completion of the Distribution. We will not benefit from any of BHC's or its affiliates' insurance policies following the effective date of these new insurance policies.

Mutual Releases. Except for specific liabilities associated with the Master Separation Agreement or the other ancillary agreements described therein or rights to indemnification under such arrangements, we and BHC have agreed to release and forever discharge the other party and its respective subsidiaries and affiliates from any and all liabilities, claims or conditions existing or alleged to have existed on or prior to the closing of this offering. The liabilities to be released include liabilities arising under any contract or agreement, existing or arising from any acts or events occurring or failing to occur or any conditions existing before the completion of this offering. The releases will not extend to obligations or liabilities under any agreements between BHC and the Company that remain in effect following the Separation, which agreements include, but are not limited to, the Master Separation Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Registration Rights Agreement, the Intellectual Property Matters Agreement, and the transfer documents in connection with the Separation.

Indemnification. Generally, the Master Separation Agreement provides that each party will indemnify, defend and hold harmless the other party and its subsidiaries (and each of their affiliates) and their respective officers, employees and agents from and against any and all losses relating to, arising out of or resulting from: (i) liabilities assumed by the indemnifying party, (ii) any guarantee, indemnifications or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of the indemnifying party by the indemnified party that survives following the Separation, (iii) any breach by the indemnifying party or its subsidiaries of the Master Separation Agreement and the other agreements described in this section (unless such agreement provides for separate indemnification) or (iv) any untrue statement of a material fact, or omission to state a material fact, with respect to information provided by the indemnifying party for use in, and contained in, any document disclosed to the SEC with respect to this offering or otherwise (provided, that certain indemnification rights, obligations and procedures with respect to the Distribution will be set forth in the Arrangement Agreement). The Master Separation Agreement also specifies procedures with respect to claims subject to indemnification and related matters

Covenants. The Master Separation Agreement also governs other matters related to the completion of this offering and the Distribution, the provision and retention of records, access to information, confidentiality, cooperation with respect to governmental filings and third party consents, coordination with respect to financial statements and accounting matters. In addition, the Master Separation Agreement provides that, as long as BHC beneficially owns at least 50% of the total voting power of our outstanding share capital entitled to vote in the election of our Board of Directors, we will not (without BHC's prior written consent or, in certain circumstances, the approval of the BHC Board of Directors) take certain actions. In addition, to preserve the tax-free treatment of the Separation and the Distribution, the Master Separation Agreement includes certain covenants and restrictions to ensure that, until the completion of the Distribution, BHC will retain beneficial ownership of at least 80.1% of our combined voting power and 80.1% of each class of nonvoting share capital, if any is outstanding.

Director Elections. The Master Separation Agreement also provides that from the date of the Separation until the earliest of December 31, 2024, completion of the Distribution and BHC ceasing to beneficially own at least 50% of the total voting power of our outstanding share capital entitled to vote in the election of our Board of Directors, we will not (without the prior written consent of the BHC Board) propose any nominee for election to our Board of Directors other than the directors named in the prospectus included in the registration statement that we filed with the SEC on January 13, 2022, subject to certain specified exceptions. BHC has agreed that, during such period, all voting decisions made by or on behalf of BHC with respect to any of our voting securities beneficially owned by BHC will be approved by the BHC Board.

Termination. The Master Separation Agreement may be terminated and the Distribution may be amended, modified or abandoned at any time, by mutual consent or subject to the terms and conditions set forth in the Master Separation Agreement at any time prior to the closing of this offering. The obligations of the parties under the Master Separation Agreement to pursue or effect the Distribution may be terminated by BHC at any time for any reason. The Master Separation Agreement provides that, in the event of a termination of the Master Separation Agreement on or after the completion of this offering, (1) only the provisions of the Master Separation Agreement that obligate the parties to pursue the Distribution will terminate and (2) the other provisions of the Master Separation Agreement and the other transaction agreements that BHC and we enter into will remain in full force and effect.

Arrangement Agreement

In connection with the Separation and the Distribution, we have entered into the Arrangement Agreement with, among others, BHC. The following is a summary of the material terms of the Arrangement Agreement, but it may not contain all of the information about the Arrangement Agreement that is important to a purchaser of B+L common shares. This summary is qualified in its entirety by the full text of the Arrangement Agreement, which has been filed as an exhibit to the registration statement of which this prospectus forms a part, and on the Company's profile on SEDAR at www.sedar.com.

The Arrangement Agreement provides for, among other things, the terms of the Plan of Arrangement, the conditions to the completion of the Arrangement, the rights of the parties to amend the Plan of Arrangement, actions to be taken prior to and after the effective date of the Arrangement, certain indemnities and the rights of the parties to terminate the Arrangement Agreement in certain circumstances. The parties to the Arrangement Agreement have also made certain representations and warranties to each other and have agreed to certain other terms and conditions which are standard in a transaction of the nature of the Arrangement.

As contemplated by the Arrangement Agreement, the Arrangement will be approved by BHC and the selling shareholder, as the sole shareholders of the Company, prior to the completion of this offering. Subject to the conditions contained in the Arrangement Agreement and to the Interim Order, we will be bound by the terms and conditions of the Arrangement Agreement, including an obligation to implement the Arrangement in accordance with the terms of the Arrangement Agreement, as the Plan of Arrangement and the Arrangement Agreement may be amended from time to time in accordance with their respective terms. It is therefore important for you to note that the Tax Ruling being sought from the CRA and the Plan of Arrangement may be amended by BHC in its sole and absolute discretion, without the consent or approval of the other parties to the Arrangement Agreement at any time prior to the implementation of the Arrangement, and that BHC may make any necessary conforming changes to the Arrangement Agreement, in each case in accordance with the terms of the Arrangement Agreement. The terms and conditions of the Arrangement Agreement include, among other things:

Covenants. The Arrangement Agreement contains certain customary covenants of BHC and the Company that they will, subject to the terms of the Arrangement Agreement, use their respective commercially reasonable efforts to consummate the Arrangement. The Arrangement Agreement also contains certain covenants to support the treatment of the Distribution as a "butterfly reorganization" pursuant to Section 55 of the Tax Act, with no material Canadian federal income tax payable by BHC and its shareholders, and the Company and its shareholders. Among other things, we and/or BHC (as applicable) have covenanted and agreed, subject to certain limited exceptions, that:

- we and BHC will (i) not, on or before the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our control to be taken or performed or to occur, that, in each case, could reasonably be considered to interfere or be inconsistent with the Tax Ruling; (ii) not take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our control to be taken or performed or to occur, in each case, that would cause BHC to cease to be a "specified corporation" within the meaning of the Tax Act on or prior to the effective date of the Arrangement, except as specifically contemplated by the Arrangement Agreement and in the Tax Ruling; and (iii) fulfill all representations and undertakings provided by us (or by any of our subsidiaries), or on our behalf (or on behalf of any of our subsidiaries) with our knowledge and consent, in the Tax Ruling.
- we and BHC will: (a) not, for a period of three years after the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our control to be taken or performed or to occur, that, in each case, could reasonably be expected to cause the Arrangement and/or any transaction contemplated by the Arrangement and/or the this Agreement to be taxed in a manner inconsistent with that provided for in the Tax Ruling; (b) (i) file tax returns and make all other filings, notifications, designations and elections, (including section 85 elections under the Tax Act, and the corresponding provisions of any applicable provincial tax legislation) pursuant to the Tax Act and/or applicable provincial or foreign tax legislation, that are contemplated in the Tax Ruling, the Arrangement and/or the Arrangement Agreement, and (ii) make adjustments to stated capital accounts in accordance with the terms of the Plan of Arrangement following the effective date; (c) cooperate in the preparation, execution and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act, of all tax returns, filings, notifications, designations and elections under the Tax Act as contemplated in the Tax Ruling, the Plan of Arrangement and /or the Arrangement Agreement (and any similar tax returns,

elections, notifications or designations that may be required under applicable provincial or foreign tax legislation); and (d) cooperate in obtaining the Tax Ruling, the U.S. Tax Opinion, and the U.S. Tax Ruling and making such amendments to the Arrangement Agreement and the Plan of Arrangement as may be necessary to obtain the Tax Ruling, U.S. Tax Opinion, and the U.S. Tax Ruling and implement the Arrangement Agreement in accordance with such rulings and opinion.

Indemnification. Generally, the Arrangement Agreement provides that BHC and the Company will each indemnify, defend and hold harmless the other and that other party's subsidiaries and their respective officers, employees and agents from and against any and all losses relating to, arising out of or resulting from, directly or indirectly, a breach of our and their respective tax-related covenants in the Arrangement Agreement.

BHC and the Company will also provide customary indemnities in favour of one another in respect of misrepresentations or alleged misrepresentations contained in the meeting materials prepared in connection with the seeking of applicable shareholder approvals of the Arrangement and in respect of any order, inquiry, investigation or proceeding by a governmental authority to the extent it is based on any such misrepresentation or alleged misrepresentation.

Conditions. The Arrangement Agreement provides that, subject to the other terms of the Arrangement Agreement, the respective obligations of BHC and the Company to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver by each of them (in whole or in part, each acting reasonably) of certain customary conditions precedent at or prior to the effective time of the Arrangement including the receipt of the Interim Order and the Final Order on terms consistent with the Arrangement Agreement. The obligation of BHC to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver of certain other conditions precedent, which may only be waived, in whole or in part, by BHC, including:

- customary bring-down certifications by B+L in respect of the representations and warranties made by B+L and B+L's fulfillment of or compliance with its covenants in the Arrangement Agreement that are to have been fulfilled or complied with prior to the effective time of the Arrangement.
- the resolution approving the Arrangement will have been approved by the BHC shareholders at the BHC special shareholder's meeting in accordance with the Interim Order.
- the Tax Ruling shall have been received by BHC, in such form and substance acceptable to BHC in its sole discretion, and such Tax Ruling shall not have been withdrawn, modified or rescinded and will remain in full force and effect as of the effective time of the Arrangement.
- the U.S. Tax Opinion (and, if elected by BHC, a U.S. Tax Ruling) shall have been received by BHC in a form satisfactory to BHC, and will not have been withdrawn or modified and will remain in full force and effect as of the effective time of the Arrangement
- an independent appraisal firm acceptable to BHC shall have delivered one or more opinions to the BHC board of directors confirming the solvency and financial viability of BHC prior to the Arrangement and of BHC and Amalco 2 (as defined below) after consummation of the Arrangement, and such opinions shall be acceptable to BHC in form and substance in the BHC Board's sole discretion and such opinion(s) shall not have been withdrawn, modified or rescinded as of the effective time of the Arrangement.
- there not, as of the effective date of the Arrangement, be BHC shareholders that hold, in the aggregate, in excess of a prescribed percentage of all outstanding BHC common shares that have validly exercised statutory dissent rights under applicable corporate law and not withdrawn such exercise.
- no other events or developments shall exist or shall have occurred subsequent to the completion of this offering that, in the judgment of the BHC Board, in its sole and absolute discretion, makes it inadvisable to effect the Arrangement.

The obligation of the Company to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver of certain other conditions precedent, which may only be waived, in whole or in part, by the Company.

Amendments. The Arrangement Agreement provides that, subject to the provisions of the Interim Order, the Plan of Arrangement and applicable law, at any time and from time to time before the effective time of the Arrangement: (i) the Arrangement Agreement and the Plan of Arrangement may be amended, modified or supplemented by written agreement of BHC and the Company, without further notice to or authorization on the part of the BHC shareholders; and (ii) BHC may, in its sole and absolute discretion, without the consent or approval of the other parties, the BHC shareholders or the B+L shareholders, if applicable, amend the Tax Ruling and/or the Plan of Arrangement and may make any necessary conforming amendments to the Arrangement Agreement, provided in each case that BHC has determined, acting reasonably, that such amendment(s) are not materially adverse to the Company or its shareholders from a financial perspective, provided that BHC will provide the Company with a reasonable opportunity to comment on such proposed amendments and shall give reasonable consideration to any comments received from the Company in respect of such amendments.

Termination. The Arrangement Agreement provides that it may, at any time before or after the holding of the BHC special meeting of shareholders to consider the Arrangement but prior to implementation of the Arrangement, be unilaterally terminated by BHC, in its sole and absolute discretion, on written notice to the Company, but without the consent of any of the other Parties (including the Company) or the BHC shareholders or B+L shareholders, if applicable, and without liability to any of them except as provided in the Arrangement Agreement. The Company will have a limited right to terminate the Arrangement Agreement if the effective date of the Arrangement has not occurred on or before the outside date to be specified in the Arrangement Agreement, unless BHC and the Company agree in writing to extend such date.

Arrangement Steps. The Plan of Arrangement pursuant to which the Arrangement will be implemented is appended as a schedule to the Arrangement Agreement. The following is a summary of the steps of the Arrangement as of the date of the Arrangement Agreement which is qualified in its entirety by reference to the full text of the Plan of Arrangement appended to the Arrangement Agreement. The Plan of Arrangement may be amended at any time by BHC in accordance with the terms of the Plan of Arrangement and the Arrangement Agreement and the steps outlined below are subject to amendment at any time and from time to time following the completion of the offering and prior to the implementation of the Plan of Arrangement and may change without notice to the Company's shareholders. Capitalized terms used in this Section but not otherwise defined in this prospectus have the respective meanings given to them in the Plan of Arrangement. References to TC and TC Sub are to entities incorporated by BHC to facilitate the steps required to implement the Plan of Arrangement, and TC is the sole shareholder of TC Sub.

If all of the conditions to the implementation of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement and the other Separation Agreements and the Arrangement Agreement has not been terminated, the Arrangement will become effective at the Effective Time (as defined in the Plan of Arrangement), and the steps set out in the Plan of Arrangement will occur in the order and at the intervals specified in the Plan of Arrangement without any further act or formality required by BHC or the Company.

The steps in the Arrangement are highly technical and are generally intended to ensure that the Arrangement is implemented as a "butterfly reorganization" pursuant to Section 55 of the Tax Act. Most of these steps do not directly involve the Company or its shareholders and are necessary to effect the transfer of the interest in the Company then held by BHC through the selling shareholder to the then-current shareholders of BHC, and to facilitate certain exchanges of options, RSUs and PSUs of BHC for options and RSUs of the Company.

Pursuant to the Plan of Arrangement, among other things, it is currently expected that:

- certain then-outstanding BHC Options, BHC RSUs, Deferred BHC RSUs and BHC PSUs will be deemed to be exchanged for options and RSUs (including deferred RSUs), as the case may be, of

Numberco (which is the selling shareholder under this offering), with the number of such options and RSUs (including deferred RSUs) to be calculated using the applicable conversion ratio set out in the Plan of Arrangement. See "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement" for a description of the adjustments that will be made to BHC Options, BHC RSUs, Deferred BHC RSUs and BHC PSUs after giving effect to the transactions contemplated by the Plan of Arrangement;

- the authorized share capital of BHC will be reorganized and its articles amended to create and authorize the issuance of a new class of common shares (the BHC Class A Shares) and a new class of special shares (the BHC Special Shares), and each BHC shareholder (other than a dissenting BHC shareholder) will be deemed to exchange such holder's existing BHC common share for one BHC Class A Share and that number of BHC Special Shares that is calculated using the applicable conversion ratio set out in the Plan of Arrangement;
- each holder of BHC Special Shares will be deemed to transfer each BHC Special Share to TC for a number of TC Shares that is calculated in the manner set out in the Plan of Arrangement, with the objective being to provide that each BHC shareholder at the relevant time will hold a number of TC Shares that will effectively represent their pro rata share of the common shares of the Company held by Numberco at such time. Following this step, all of the TC Shares will be held by the former holders of BHC Special Shares;
- BHC will be deemed to transfer to TC Sub all of the Numberco Shares held by it in consideration for the issuance to BHC of TC Sub Shares. Following this step, Numberco will be wholly-owned by TC Sub, and Numberco will continue to be the holder of all of the common shares of the Company formerly indirectly owned by BHC;
- BHC will be deemed to purchase for cancellation all of the BHC Special Shares held by TC in consideration for the issuance by BHC to TC of a promissory note (the BHC Repurchase Note);
- TC Sub will be deemed to purchase for cancellation all of the TC Sub Shares held by BHC in consideration for the issuance by TC Sub to BHC of a promissory note (the TC Sub Repurchase Note);
- TC Sub will wind up in accordance with section 210 of the CBCA and as a consequence of that winding up will distribute all of its assets, rights and properties to TC, including TC Sub's interest in the Numberco Shares, and all of the liabilities and obligations of TC Sub, including the liability of TC Sub under the TC Sub Repurchase Note. Following this step, Numberco will be wholly-owned by TC;
- The TC Sub Repurchase Note (held by BHC, and now a liability of TC) will be deemed to be set-off against the BHC Repurchase Note (held by TC);
- TC and Numberco will amalgamate under section 181 of the CBCA to form a successor corporation ("Amalco"). Following this step, Amalco will own all of the common shares of the Company formerly indirectly owned by BHC, and all of the BHC Options, BHC RSUs, Deferred BHC RSUs and BHC PSUs that were previously exchanged for options and RSUs (including deferred RSUs) of Numberco will be options and RSUs respectively, of Amalco. The sole shareholders of Amalco will be the BHC shareholders whose BHC Special Shares were exchanged for TC Shares;
- the Company and Amalco will amalgamate pursuant to section 181 of the CBCA to form a successor corporation ("Amalco 2"). Amalgamations are a Canadian corporate law process by which the two amalgamating companies combine into a new company, without either losing its corporate existence. Therefore, pursuant to this step:
  - the then-current shareholders of the Company will have their shares converted into an equivalent number of common shares of Amalco 2, and all of the the BHC shareholders whose BHC Special Shares were exchanged for TC Shares will have their Amalco Shares converted into an equivalent number of common shares of Amalco 2. These conversions will result in each of the Company's then-current shareholders holding the same pro rata interest in Amalco 2 (on a non-diluted basis)

as such shareholder held in the Company immediately prior to the Plan of Arrangement, with the remaining common shares of Amalco 2 being held by the then-current BHC shareholders who will hold the same pro rata interest in Amalco 2 (on a non-diluted basis) as Numberco held in the Company immediately prior to the Amalgamation.

- each of the options and RSUs (including deferred RSUs) of Amalco will be exchanged for an equivalent number of Amalco 2 options and RSUs (including deferred RSUs), respectively, subject to certain adjustments. These exchanges will result in these options and RSUs (including deferred RSUs) being exercisable or settled for common shares of Amalco 2 following the Arrangement. These options and RSUs (including deferred RSUs) will, upon their exercise or vesting for common shares of Amalco 2, result in a pro rata dilution of all holders of Amalco 2 common shares at such time.
- Amalco 2 will possess all of the property of the Company and TC held immediately before the amalgamation and will, following the amalgamation, be subject to all of the liabilities of those predecessor companies immediately before the amalgamation. Consequently, Amalco 2 will continue to hold all of the assets that were held by the Company immediately prior to the amalgamation and in the same manner that such assets were held by the Company immediately prior to the amalgamation.
- Amalco 2 will be authorized to apply to British Columbia to continue under the BCBCA, following which Amalco 2 is expected to complete the Continuance and continue under the BCBCA, following which it would be subject to the BCBCA and not to the CBCA.

For additional information on the treatment of BHC Options, BHC RSUs, BHC Deferred RSUs and BHC PSUs in connection with the Distribution, see "The Separation and The Distribution Agreements with BHC—Employee Matters Agreement".

Transition Services Agreement

In connection with the completion of this offering, we have entered into the Transition Services Agreement with BHC to provide each other, on a transitional basis, certain administrative, human resources, treasury and support services and other assistance, for a limited time to help ensure an orderly transition following the Separation. The Transition Services Agreement specifies the calculation of our costs for these services. The cost of these services will be negotiated between us and BHC.

Under the Transition Services Agreement, Bausch + Lomb will receive certain services, including information technology services, technical and engineering support, application support for operations, legal, payroll, finance, tax and accounting, general administrative services and other support services. As costs for these services historically were included in our operating results through expense allocations from BHC, we do not expect the costs associated with the Transition Services Agreement to be materially different and, therefore, we do not expect such costs to materially affect our results of operations or cash flows after becoming a standalone company.

Subsequent to the Separation, we will incur expenditures consisting primarily of employee-related costs, costs to establish certain standalone functions and information technology systems and other transaction-related costs.

Additionally, we will incur increased costs as a result of becoming an independent, publicly traded company, primarily from establishing or expanding the corporate support for our businesses, including information technology, human resources, treasury, tax, internal audit, risk management, stock-based compensation programs, accounting and financial reporting, investor relations, governance, legal, procurement and other services. Our preliminary estimates of these additional recurring costs expected to be incurred annually are approximately $70 million greater than the expenses historically allocated to us from BHC, and primarily relate to Selling, general and administrative ("SG&A") expenses.

Services under the Transition Services Agreement begin on the date of the closing of this offering and will cover a period generally not expected to exceed 24 months following the Separation.

Tax Matters Agreement

We have entered into the Tax Matters Agreement with BHC that governs the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. In general, under the Tax Matters Agreement:

- BHC will be responsible for any U.S. federal, state, local or non-U.S. income and non-income taxes (and any related interest, penalties or audit adjustments and including those taxes attributable to our business) reportable on a consolidated, combined or unitary return that includes BHC or any of its subsidiaries (including us and/or any of our subsidiaries), and on any other tax return of BHC or any of its subsidiaries (including us and/or any of our subsidiaries) that includes tax items relating to Parent Assets and Parent Liabilities (whether or not such tax return also includes items relating to the Business), for any periods or portions thereof ending prior to this offering.
- BHC will be responsible for taxes (other than Canadian taxes with respect to the Distribution, which are subject to the Arrangement Agreement) incurred as a result of the Separation and Distribution, except to the extent such taxes are attributable to certain actions taken by us or breaches of representations or covenants made by us in the Tax Matters Agreement.
- We will be responsible for any U.S. federal, state, local or non-U.S. income and non-income taxes (and any related interest, penalties or audit adjustments) that are reportable on returns that include only us and/or any of our subsidiaries (and do not include any tax items related to Parent Assets and Parent Liabilities) for all tax periods or portions thereof ending prior to this offering.

We will generally be responsible for all of the taxes imposed on us and our subsidiaries for taxable periods (or portions thereof) that begin after the date of this offering.

We will not generally be entitled to receive payment from BHC in respect of any of our tax attributes or tax benefits or any reduction of taxes of BHC. Neither party's obligations under the Tax Matters Agreement is limited in amount or subject to any cap. The Tax Matters Agreement also assigns responsibilities for administrative matters, such as the filing of returns, payment of taxes due, retention of records and conduct of audits, examinations or similar proceedings. In addition, the Tax Matters Agreement provides for cooperation and information sharing with respect to tax matters.

BHC will be primarily responsible for preparing and filing any tax return with respect to any BHC affiliated, consolidated, combined, unitary or similar group for U.S. federal, state, or local or non-U.S. income or non-income tax purposes that includes BHC or any of its subsidiaries, including those tax returns that also include us and/or any of our subsidiaries, and any other tax return of BHC or its subsidiaries (including us and/or any of our subsidiaries) that includes tax items relating to Parent Assets and Liabilities (whether or not such tax return also includes items relating to the Business). We will generally be responsible for preparing and filing any tax returns that include only us and/or any of our subsidiaries (and do not include any tax items related to Parent Assets and Parent Liabilities).

The party responsible for preparing and filing a given tax return will generally have exclusive authority to control tax contests related to any such tax return. We will generally have exclusive authority to control tax contests with respect to tax returns that include only us and/or any of our subsidiaries.

In addition, in order to preserve the tax-free treatment of the Distribution as currently anticipated, if effected in the manner currently anticipated, for U.S. federal income tax purposes, under the Tax Matters Agreement, we will be restricted from taking certain actions, including, during the two year period after the Distribution, discontinuing the active conduct of our trade or business, merging or amalgamating with any other person (other than in connection with the Distribution), redeeming or otherwise acquiring our shares (other than pursuant to certain open-market repurchases of less than 20% of our common shares, in the aggregate), soliciting, participating or supporting any acquisition of our shares by any person or business combination having a similar effect, or otherwise taking any action that could reasonably be expected to adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Notwithstanding the foregoing, we may be permitted to take certain of these actions if we receive a tax ruling or opinion of counsel, acceptable to BHC, to the effect that the action will not adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Regardless of whether we are so permitted to take such action, under the Tax Matters Agreement we will be required to indemnify BHC for any tax-related losses that result from the taking of any such action.

Employee Matters Agreement

We have entered into the Employee Matters Agreement with BHC, which governs our relationship with BHC with respect to employment, compensation and benefits matters. The Employee Matters Agreement governs, among other things, the allocation of employee-related liabilities, the mechanics for the transfer of Bausch + Lomb employees, the treatment of outstanding equity awards and the treatment of Bausch + Lomb employees' participation in BHC's retirement and health and welfare plans.

Employee-related liabilities. In connection with the Separation, we will generally assume responsibility for all employment, compensation and benefits-related liabilities relating to current employees of the B+L Business (whether active or on certain specified leaves of absences) and former employees who were last actively employed primarily with respect to the B+L Business, whom we collectively refer to as "B+L Employees," regardless of whether such liabilities arise before, on or after the closing of this offering. BHC will retain all employment, compensation and benefits-related liabilities relating to each current or former employee of BHC who is not a B+L Employee, whom we refer to as a "BHC Employee."

Transfers of B+L Employees. Effective on or prior to the closing of this offering, to the extent not already employed by us or one of our subsidiaries, the employment of each B+L Employee will generally be transferred to us or one of our subsidiaries. The transfer of the employment of B+L Employees who are employed in certain non-U.S. jurisdictions may occur following the closing of this offering (the "Post-Separation Transfer Employees"). Prior to their transfer date, BHC will make available to us the services of the Post-Separation Transfer Employees, to the extent employed by BHC at such time. We or one of our subsidiaries will generally assume responsibility for any individual employment or similar agreements between any B+L Employee and BHC or any of its subsidiaries. We will bear the cost of compensation, benefit and other employment related liabilities incurred for Post-Separation Transfer Employees prior to their applicable transfer date.

Compensation and benefit plans generally. Effective as of January 1, 2022 (or, in the case of Post-Separation Transfer Employees, the date such employees transfer to us), which we refer to as the "Benefits Commencement Date," as a general matter, B+L Employees will be eligible to participate in compensation and benefit plans established by us or one of our subsidiaries, and such plans will generally recognize all of such employee's service with BHC and its affiliates prior to the applicable Benefits Commencement Date for purposes of eligibility, vesting and benefit accruals. However, such service will not be recognized to the extent that such recognition would result in a duplication of benefits. BHC will bear the cost of designing or establishing any of our or our subsidiaries' compensation or benefit plans; however, we will reimburse BHC for any costs and expenses incurred by BHC to administer such plans.

401(k) plan. As a general matter, effective as of a date mutually identified by the parties (but not later than six months after the closing of this offering), each B+L Employee who participates in the BHC 401(k) plan will cease active participation in the BHC 401(k) plan and will be eligible to participate in a 401(k) plan maintained by us or one of our subsidiaries. Following such effective date of participation, the account balance of each B+L Employee who is an active participant in the BHC 401(k) plan will be transferred to, and assumed by, the B+L 401(k) plan.

[Table of Contents](#)

B+L Retirement Benefits Pension Plan. Effective as of the closing of this offering, the Bausch & Lomb Retirement Benefits Plan (the "Legacy U.S. Pension Plan"), including The Bausch & Lomb Retirement Benefits Trust, will be retained by us in accordance with its terms. Following such date, each BHC Employee who participates in the Legacy U.S. Pension Plan will cease active participation in the Legacy U.S. Pension Plan (including the accrual of any additional benefits, if any, under the Legacy U.S. Pension Plan). Any liabilities arising from or relating to the Legacy U.S. Pension Plan and The Bausch & Lomb Retirement Benefits Trust will be retained by B+L and its subsidiaries.

Biovail Americas Corp. Executive Deferred Compensation Plan. Effective as of the closing of this offering, the Biovail Americas Corp. Executive Deferred Compensation Plan will be retained by BHC in accordance with its terms, and any liabilities arising from or relating to the such plan will be retained by BHC and its subsidiaries.

B+L Supplemental Retirement Income Plan. Effective as of the closing of this offering, the B+L Supplemental Retirement Income Plan, including each of the secular trusts established thereunder, will be retained by us in accordance with its terms, and any liabilities arising from or relating to such plan will be retained by us and our subsidiaries.

Health and welfare benefit plans. Effective as of the closing of this offering, we will generally assume all costs, expenses or liabilities relating to health and welfare coverage or claims incurred on or after the closing of this offering by each B+L Employee under any of our or BHC's health and welfare benefit plans. However, following the closing of this offering and prior to the applicable Benefits Commencement Date, B+L Employees will generally continue to participate in BHC's health and welfare benefit plans, and any claims incurred by B+L Employees prior to the applicable Benefits Commencement Date will continue to be covered under BHC's health and welfare benefit plans; provided that, any costs relating to such participation in BHC's health and welfare plans will be borne by us.

Treatment of annual cash incentive awards. Each B+L Employee participating in any cash incentive plan or program for the 2021 performance year (including any annual bonus program or sales incentive program) will remain eligible to receive such cash bonus award, subject to the terms of the applicable bonus plan and actual achievement of applicable performance goals determined as of the end of the performance period. The actual 2021 cash bonuses payable to B+L Employees will be paid by us in accordance with the terms of the applicable cash bonus plan, and BHC will generally bear the cost of the aggregate actual amount (or an estimated amount, depending on the timing of the offering) of such 2021 cash bonuses. For the 2022 performance year, all B+L Employees will participate in a B+L cash bonus or incentive plan, the cost of which will be borne entirely by us.

B+L Separation Bonuses. Each B+L Employee who is eligible to receive a cash bonus award under the Bausch + Lomb Separation Bonus Opportunity program, regardless of when payable, will remain eligible to receive his or her cash bonus award based on continued employment with us, subject to the terms of the applicable agreement or program. The actual cash bonus awards under the Bausch + Lomb Separation Bonus Opportunity program will be paid by us in accordance with the terms of the applicable agreement or program (including terms relating to the timing of payment) and BHC will bear the cost of the aggregate amount of such cash bonus award.

Treatment of Outstanding Equity Awards. Effective as of immediately prior to the Distribution, each outstanding BHC equity award will be treated as set forth below.

Stock Options

Each outstanding BHC stock option award (each, a "BHC Option") held by a current B+L Employee will be converted into an option to acquire Company common shares (each, a "B+L Option"). The number of Company common shares subject to such B+L Option will be determined by *multiplying* (i) the number of BHC common shares subject to the corresponding BHC Option *by* (ii) a fraction, (A) the numerator of which is the fair market value of a BHC common share before the Distribution (as determined by the BHC Board (or an applicable committee thereof)) and (B) the denominator of which is the fair market value of a Company common share after the Distribution (as determined by the BHC Board (or an applicable committee thereof)) (such fraction, the "B+L Concentration Ratio"), rounded down to the nearest whole share. The exercise price per Company common share applicable to such B+L Option will be determined by *dividing* (i) the exercise price per BHC common share applicable to the corresponding BHC Option *by* (ii) the B+L Concentration Ratio, rounded up to the nearest whole cent.

Each outstanding BHC Option held by a current or former BHC Employee or a former B+L Employee will be converted into an adjusted BHC Option (each, an "Adjusted BHC Option"). The number of BHC common shares subject to such Adjusted BHC Option will be determined by *multiplying* (i) the number of BHC common shares subject to the corresponding BHC Option *by* (ii) a fraction, (A) the numerator of which is the fair market value of a BHC common share before the Distribution (as determined by the BHC Board (or an applicable committee thereof)) and (B) the denominator of which is the fair market value of a BHC common share after the Distribution (as determined by the BHC Board (or an applicable committee thereof)) (such fraction, the "BHC Concentration Ratio"), rounded down to the nearest whole share. The exercise price per BHC common share applicable to such Adjusted BHC Option will be determined by *dividing* (i) the exercise price per BHC common share applicable to the corresponding BHC Option *by* (ii) the BHC Concentration Ratio, rounded up to the nearest whole cent.

The B+L Options and Adjusted BHC Options will be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding BHC Option immediately prior to the above described conversions.

RSUs and PSUs

Each outstanding BHC RSU and BHC PSU that (1) was granted prior to January 1, 2022, or in the case of any BHC matching share restricted stock units ("MRSUs"), was granted at any time, (2) is not a New Hire Grant (as defined below), (3) is not the CEO Grants (as defined below) and (4) is held by either (x) a current BHC Employee, or (y) a current B+L Employee in each case, will be adjusted as follows (such adjustment, the "Basketing Adjustment"):

- the holder will continue to hold the same number of BHC RSUs or BHC PSUs, as applicable; and
- the holder will receive a number of B+L RSUs (i.e., not subject to performance conditions), determined by *multiplying* (i) the number of BHC RSUs or BHC PSUs *by* (ii) the "basket ratio" (i.e., a conversion ratio that will be determined by the BHC Board (or an applicable committee thereof) prior to the Distribution in a manner intended to preserve the aggregate value of the applicable outstanding equity awards), rounded down to the nearest whole share.

Each outstanding BHC RSU (other than a Deferred BHC RSU, as defined below) and BHC PSU that (1) is held by a current BHC Employee and (x) was granted on or following January 1, 2022 (other than any BHC MRSUs), (y) was an "initial" or "sign-on" BHC RSU or BHC PSU granted to any current B+L Employee or BHC Employee on or following September 1, 2021 in connection with such applicable employee's external new hire into an executive role with the Company or BHC (a "New Hire Grant") or (z) was granted on September 1, 2021 to the BHC Employee who is intended to become the CEO of BHC effective as of the closing of this Offering (including the awards of both BHC RSUs and BHC PSUs granted to such BHC Employee on September 1, 2021) (the "CEO Grants"), (2) is held by (i) a former BHC Employee, (ii) a former B+L Employee, (iii) an employee of Solta or its subsidiaries or business, (iv) a non-employee director of BHC (who does not also serve on our Board of Directors) (a "BHC Director"), (v) a "Dual Director" (i.e., a non-employee director serving on the Board of Directors of both the Company and BHC at and immediately following the time of the Distribution) or (vi) a non-employee director of Solta (who does not also serve on our Board of Directors) (in each case, regardless of when granted) or (3) is held by a BHC service provider that is employed in a jurisdiction where the "basketing" treatment set forth above is not permitted, in each case, will be converted into an adjusted award of BHC RSUs or BHC PSUs, as applicable, determined by multiplying (a) the number of such BHC RSUs or BHC PSUs by (b) the "BHC Concentration Ratio", rounded down to the nearest whole share.

Each outstanding BHC RSU and BHC PSU that (1) is held by a current B+L Employee and (x) was granted on or following January 1, 2022 (other than any BHC MRSUs) or (y) is a New Hire Grant or (2) is held by a Company service provider that is employed in a jurisdiction where the "basketing" treatment set forth above is not permitted, in each case, will be converted into an award of B+L RSUs determined by *multiplying* (i) the number of such BHC RSUs or BHC PSUs *by* (ii) the B+L Concentration Ratio, rounded down to the nearest whole share.

Each outstanding BHC RSU (other than a Deferred BHC RSU) that is granted to a non-employee director of the Company (who does not also serve on the Board of Directors of BHC at and immediately following the time of Distribution) (a "B+L Director") in 2022 (if any) will not be converted into an award of B+L RSUs, and will instead vest on a prorata basis and be settled prior to the Distribution in accordance with, and subject to the terms of the applicable award agreement governing such BHC RSUs.

In addition, and notwithstanding the above described adjustments, each deferred BHC RSU that is held by a Dual Director or a BHC Director or a B+L Director at the time of the Distribution (a "Deferred BHC RSU") will be adjusted pursuant to the Basketing Adjustments described above.

The adjusted BHC RSUs and BHC PSUs and B+L RSUs will generally have the same terms and conditions (including vesting schedule) as the corresponding BHC awards prior to the adjustments, except that, in the case of any BHC PSUs, the corresponding B+L RSUs will not be subject to any performance-based vesting conditions following the adjustments.

Effective as of the Distribution, the Company will assume the obligation to settle and deliver the shares of the Company underlying all BHC equity awards converted into Company equity awards For purposes of vesting for all equity awards, continued employment with or service to BHC or the Company, as applicable, will be treated as continued employment with or service to both BHC and the Company.

The Company will be responsible for the settlement of cash dividend equivalents on any adjusted BHC awards and any Company equity awards held by a B+L Employee or a B+L Director, and BHC will be responsible for the settlement of cash dividend equivalents on any adjusted BHC awards and any Company equity awards held by current or former BHC Employees. However, with respect to (i) Company equity awards held by BHC Employees or a BHC Director, prior to the date any such settlement is due, the Company will pay BHC in cash amounts required to settle any dividend equivalents accrued following the Distribution and (ii) adjusted BHC equity awards held by B+L Employees, prior to the date any such settlement is due, BHC will pay the Company in cash amounts required to settle any dividend equivalents accrued following the Distribution. With respect to a Dual Director, the Company will be responsible for the settlement of cash dividend equivalents on any Company equity awards and BHC will be responsible for the settlement of cash dividend equivalents on any adjusted BHC equity awards.

Notwithstanding the Basketing Adjustments set forth above, with respect to BHC RSUs and BHC PSUs subject to the provisions of subsection 7(1) of the Income Tax Act (Canada) ("ITA") held by certain employees resident in Canada for purposes of the ITA or by certain employees not resident in Canada for purposes of the ITA that received BHC RSUs and BHC PSUs in respect of, in the course of, or by virtue of duties of any office or employment performed in Canada, in the event the "in the money amount" of the equity awards provided to such employee as a result of such adjustments (determined on an award-by-award basis) immediately following such Basketing Adjustments exceeds the "in-the-money amount" of the corresponding award of BHC RSUs or BHC PSUs, as applicable, immediately prior to such Basketing Adjustments, then the BHC Board and the B+L Board (in each case, or an applicable committee thereof) will cooperate and agree to further adjust the number of BHC common shares underlying the applicable BHC RSU or BHC PSU and/or the number of Company common shares underlying the applicable B+L RSU (or any combination thereof), in each case, in order to ensure that any such excess in the "in-the-money amount" is reduced to nil in a manner intended to ensure that such adjustments will be completed on a tax-neutral basis under the provisions of the ITA for such employees.

Table of Contents

Registration Rights Agreement

In connection with the Separation, we have entered into the Registration Rights Agreement with BHC pursuant to which we agree that, upon the request of BHC, we will use our commercially reasonable efforts to effect the registration under applicable U.S. federal and state securities laws of any of our common shares retained by BHC and certain of its subsidiaries following the completion of this offering, and to file any required Canadian prospectuses relating to such registration.

Demand registration. BHC will be able to request registration under the Securities Act or qualification by a Canadian prospectus under applicable Canadian securities laws of all or any portion of our common shares that are not freely sellable under Rule 144 under the Securities Act and we will be obligated, subject to certain customary exceptions, to register or qualify such shares. BHC may make up to four demand registrations in any twelve month period.

Piggy-back registration. If we at any time intend to file a registration statement and/or Canadian prospectus in connection with a public offering of any of our securities on a form and in a manner that would permit the registration or qualification for offer and sale of our common shares held by BHC, BHC will have the right to include common shares it owns in that offering, subject to certain customary limitations.

Registration expenses. We will be generally responsible for all registration expenses in connection with the performance of our obligations under the registration rights provisions in the Registration Rights Agreement. BHC will generally be responsible for any applicable underwriting discounts, commissions and transfer taxes.

Indemnification. The agreement contains customary indemnification and contribution provisions by us for the benefit of BHC and, in limited situations, by BHC for the benefit of us with respect to the information provided by BHC included in any registration statement, prospectus, Canadian prospectus or related document.

Term. The registration rights remain in effect with respect to any shares held by BHC until:

- such shares have been sold pursuant to an effective registration statement under the Securities Act;
- such shares have been sold to the public pursuant to Rule 144 under the Securities Act;
- such shares have ceased to be outstanding; or
- such shares may be sold to the public pursuant to Rule 144 under the Securities Act without any limitations on volume or manner of sale pursuant to such rule.

Intellectual Property Matters Agreement

We have entered into the Intellectual Property Matters Agreement pursuant to which we have granted to BHC a non-exclusive, worldwide, royalty free license to use the "BAUSCH" name and marks, and certain other marks (which we refer to as the "Licensed Trademarks") for a transitional period beginning on the date of the Separation and extending for a transitional period after the date of the Distribution to allow for the renaming and rebranding of BHC. The Intellectual Property Matters Agreement includes certain customary quality control provisions which impose obligations and restrictions on BHC's use of the Licensed Trademarks.

The Intellectual Property Matters Agreement also includes certain provisions whereby we have made arrangements to provide BHC certain rights to continue to control certain domain names containing the word "BAUSCH HEALTH" during the term of the applicable trademark license and we mutually agree with BHC to any additional arrangements that may be reasonably required to transition BHC away from use of the domains.

The Intellectual Property Matters Agreement also includes an intellectual property cross-license which provides BHC and Bausch + Lomb with reciprocal, non-exclusive cross-licenses under certain intellectual property rights transferred to us and certain intellectual property rights retained by BHC in order to provide each of BHC and Bausch + Lomb freedom to operate their respective businesses.

Real Estate Matters Agreement

In connection with the Separation, we have entered into the Real Estate Matters Agreement, pursuant to which certain leased and owned property will be shared between us and BHC. The Real Estate Matters Agreement describes the manner in which the specified leased and owned properties are shared, including the following types of transactions: (i) if mutually agreed, leases to either party of portions of specified properties that the other party owns; and (ii) if mutually agreed, subleases to either party of portions of specified properties leased by the other party. The Real Estate Matters Agreement also contemplates that we and BHC will share certain properties for a limited period until a formal arrangement is entered into or one of the parties exits the property and that we may provide each other with certain services with respect to specified leased and owned properties for a limited time to help ensure an orderly transition following the Separation.

Related Party Transactions

Following the completion of this offering, we will have a general policy that all material transactions with a related party, as well as all material transactions in which there is an actual, or in some cases, perceived, conflict of interest, will be subject to prior review and approval by our Audit Committee and its independent members, which will determined whether such transactions or proposals are fair and reasonable to us and our shareholders. In general, potential related party transactions will be identified by our management and discussed with our Audit Committee at its meetings. Detailed proposals including, where applicable, financial and legal analyses, alternatives and management recommendations, will be provided to our Audit Committee with respect to each issue under consideration, and decisions will be made by our Audit Committee with respect to the foregoing related party transactions after opportunity for discussion and review of materials. When applicable, our Audit Committee will request further information and, from time to time, will request guidance or confirmation from internal or external counsel or auditors.

Table of Contents

DESCRIPTION OF MATERIAL INDEBTEDNESS

Substantially concurrently with the closing of this offering, we expect to enter into credit facilities (the "Credit Facilities") providing for term loans of approximately $2,500 million with a five-year term to maturity and a five year revolving credit facility of approximately $500 million. The Credit Facilities are expected to be secured by substantially all of the assets of Bausch + Lomb and its material, wholly-owned Canadian, U.S., Dutch and Irish subsidiaries, subject to certain exceptions. The term loans are expected to be made available in U.S. dollars, and borrowings under the revolving credit facility are expected to be made available in U.S. dollars, euros, pounds sterling and Canadian dollars.

Borrowings under the revolving credit facility in (1) U.S. dollars are expected to bear interest at a rate per annum equal to, at our option, either (a) a term SOFR based rate or (b) a U S dollar base rate, (2) Canadian dollars are expected to bear interest at a rate per annum equal to, at our option, either (a) CDOR or (b) a Canadian dollar prime rate, (3) euros are expected to bear interest at a rate per annum equal to EURIBOR and (4) pounds sterling are expected to bear interest at a rate per annum equal to SONIA (provided, however, that the term SOFR-based rate, CDOR, EURIBOR and SONIA are expected to be no less than 0.00% per annum at any time and the U.S. dollar base rate and the Canadian dollar prime rate are expected to be no less than 1.00% per annum at any time), in each case, plus an applicable margin.

The applicable interest rate margins for borrowings under the revolving credit facility are expected to be (1) between 0.75% to 1.75% with respect to U.S. dollar base rate or Canadian dollar prime rate borrowings and between 1.75% to 2.75% with respect to SOFR, EURIBOR, SONIA or CDOR borrowings based on the company's total net leverage ratio and (2) after (x) Bausch + Lomb's senior unsecured non-credit-enhanced long term indebtedness for borrowed money receives an investment grade rating from at least two of S&P, Moody's and Fitch and (y) the term loan facility has been repaid in full in cash (the "IG Trigger"), between 0.015% to 0.475% with respect to U.S. dollar base rate or Canadian dollar prime rate borrowings and between 1.015% to 1.475% with respect to SOFR, EURIBOR, SONIA or CDOR borrowings based on the Company's debt rating. In addition, we are expected to be required to pay commitment fees of 0.25% per annum in respect of the unutilized commitments under the revolving credit facility, payable quarterly in arrears until the IG Trigger and a facility fee between 0.110% to 0.275% of the total revolving commitments, whether used or unused, based on the Company's debt rating and payable quarterly in arrears. We are also expected to be required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on SOFR borrowings under the revolving credit facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Borrowings under the term loan facility are expected bear interest at a rate per annum equal to, at our option, either (a) a term SOFR-based rate or (b) a U.S. dollar base rate, in each case, plus an applicable margin.

The terms of the Credit Facilities are not finalized, but we expect they will include negative covenants that may be more restrictive than certain negative covenants in BHC's existing credit agreement (including with respect to (i) incurring additional indebtedness, (ii) creating liens, (iii) entering into agreements and other arrangements that include negative pledge clauses, (iv) paying dividends on capital stock or redeeming, repurchasing or retiring capital stock, or prepaying certain junior indebtedness, (v) making investments, loans advances and acquisitions, (vi) merging, amalgamating or selling assets, including equity interests of subsidiaries, (vii) entering into sale and leaseback transactions, (viii) engaging in transactions with affiliates (including BHC and its other subsidiaries), (ix) entering into new lines of business and (x) entering into amendments of or waivers under certain junior indebtedness, organizational documents and certain other material agreements). In particular, we expect that the Credit Facilities will contain restrictions on our ability to pay dividends.

DESCRIPTION OF CAPITAL STOCK

The following summary describes the common shares of Bausch + Lomb, which are the only securities of the Company to be registered pursuant to Section 12 of the Exchange Act.

The following summary describes the material terms of our common shares and is not complete. This summary is qualified in its entirety by reference to the Canada Business Corporations Act, applicable British Columbia law and our articles and by-laws. For a complete description of our common shares, we refer you to our articles, which have been filed as an exhibit to this registration statement of which this prospectus is a part.

General

Upon completion of this offering, our authorized capital will consist of an unlimited number of common shares and preferred shares, issuable in series. Prior to this offering, all of our common shares were held directly or indirectly by BHC and no preferred shares were outstanding. Upon the completion of this offering, there will be 350,000,000 common shares (assuming no exercise of outstanding options) and no preferred shares outstanding. All outstanding common shares are fully paid and non-assessable.

Common Shares

Voting Rights

The holders of the common shares are entitled to receive notice of and attend (in person or by proxy) and be heard at all general meetings of the shareholders of the Company (other than separate meetings of the holders of shares of any other class of shares or any series of shares of such other class of shares, if any). The holders of the common shares are entitled to vote at all such general meetings, with each holder of the common shares being entitled to one vote per common share held at all such meetings.

Dividend Rights

Subject to any preference as to the payment of dividends provided to any shares ranking in priority to common shares (if any then outstanding), the holders of common shares shall be entitled to participate equally with each other as to dividends, as and when declared by the Company's Board of Directors, out of moneys properly applicable to the payment of dividends, in amounts per share and at the same time on all such common shares at the time outstanding as the Company's Board of Directors may from time to time determine.

Liquidation, Dissolution and Winding-Up Rights

In the event of the liquidation, dissolution or winding-up or other distribution of assets among the Company's shareholders for the purpose of winding up the Company's affairs, all of the property and assets of the Company which remain after payment to the holders of any shares ranking in priority to the common shares in respect of payment upon liquidation, dissolution or winding-up (if any then outstanding) of all amounts attributed and properly payable to such holders of any such other shares in the event of such liquidation, dissolution, winding-up or distribution, shall be paid or distributed equally, share for share, to the holders of the common shares without preference or distinction.

Forum for Adjudication of Certain Disputes

Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any

Table of Contents

action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our constating documents (as they may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Company or such affiliates. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the Province of British Columbia (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the provincial and federal Courts located within the Province of British Columbia in connection with any action or proceeding brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action or proceeding by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

The Canadian Forum Provision will not apply to any causes of action arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our by-laws provide that any person or entity purchasing or otherwise acquiring any interest in our common shares is deemed to have notice of and consented to the Canadian Forum Provision and the U.S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder. The Canadian Forum Provision and the U.S. Federal Forum Provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or shareholders, which may discourage lawsuits with respect to such claims See "Risk Factors Risks Relating to this Offering and Ownership of Our Common Shares Our by laws to be in effect prior to the completion of this offering designate specific courts in Canada and the federal district courts of the United States as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us."

Other Rights

The holders of common shares do not have any preemptive, subscription or redemption rights.

Transfer Agent and Registrar

The transfer agent and registrar for our common shares is American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219.

Listing

We have applied to list our common shares on the NYSE and the TSX, in each case under the symbol "BLCO." The listing on the NYSE is subject to approval by the NYSE in accordance with its original listing requirements and the listing on the TSX is subject to our fulfilment of all of the listing requirements of the TSX. The TSX has not conditionally approved our listing applications and there is no assurance that the TSX will approve our listing application.

Preferred Shares

We may from time to time issue preferred shares in one or more series. Before the first shares of a particular series are issued, the Board of Directors will determine, subject to any restrictions set out in the articles, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series.

Except as otherwise provided by the CBCA (or, following the Continuance, the BCBCA) or in accordance with any voting rights which may be attached to a series of preferred shares, holders of preferred shares as a class will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

No series of preferred shares will have priority over any other series of preferred shares in respect of the payment of dividends or any distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of the Company, but holders of preferred shares will be entitled to such preferences with respect to the payment of dividends over the common shares of the Company and any other shares ranking junior to the preferred shares with respect to payment of dividends. Holders of a particular series of preferred shares will be entitled to such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be fixed by the Board of Directors in respect of that series.

Advance Notice Procedures

We have included certain advance notice provisions with respect to the nomination of our directors and to the proposing of other business in our by-laws (the "Advance Notice Provisions"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings and (ii) ensure that all shareholders receive adequate notice of Board of Directors nominations or other business and sufficient information with respect to all nominees and other business. Only persons nominated or proposals for other business made in accordance with the Advance Notice Provisions will be eligible for consideration at any annual meeting of shareholders, or, in the case of a nomination, at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under these procedural requirements, in order to bring a nomination or other business before a meeting of shareholders, a shareholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting;
- the shareholder's name, business and residential address;
- any material interest of the shareholder in the proposal;
- the number of shares beneficially owned, or controlled or directed, directly or indirectly, by the shareholder and/or any other person with who such shareholder is acting jointly or in concert with respect to the Company or any of its securities;
- the names and addresses of all persons with whom the shareholder is acting in concert and a description of all arrangements and understandings with those persons, and the number of shares such persons beneficially own;
- a description of any agreement or arrangement that has been entered into, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such shareholder with respect to the Company's securities.

To be timely, a shareholder must generally deliver notice:

- in connection with an annual meeting of shareholders, not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of shareholders, but in the event that the date of the annual meeting is more than 30 days before or more than 90 days after the anniversary date of the preceding annual meeting of shareholders, then to be timely such notice must be received by the Company no earlier than 90 days prior to such annual meeting and no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting is first made by the Company, or

- in the case of a special meeting of shareholders which is not also an annual meeting called for any purpose which includes the election of directors to the Board of Directors, not later than the close of business on the 15th day following the day on which we first publicly announce the date of such special meeting.

In order to submit a nomination for our Board of Directors, a shareholder must also submit any information with respect to the nominee that we would be required to include in a proxy statement, as well as certain other information. If a shareholder fails to follow the required procedures, the shareholder's proposal for other business or nominee will be deemed ineligible and will not be voted on by our shareholders.

References to shareholder in connection with the Advance Notice Provisions includes, where applicable, each beneficial owner of common shares, if any, on whose behalf the nomination or proposal is being made

Restrictions on Share Ownership by Non-Canadians; Antitrust Regulation

There are no limitations under the laws of Canada or in our organizational documents on the right of foreigners to hold or vote securities of our Company, except that the *Investment Canada Act (Canada)* (the "Investment Canada Act") may require review and approval by the Minister of Innovation, Science and Industry (Canada) (the "Minister") of an acquisition of "control" of our Company by a "non-Canadian."

Investment Canada Act

Under the Investment Canada Act, an acquisition of control of a Canadian business by a non-Canadian is either reviewable (a "Reviewable Transaction"), in which case it is subject to both a reporting obligation and an approval process, or notifiable, in which case it is subject to only a reporting obligation. In the case of a Reviewable Transaction, the non-Canadian acquirer must submit an application for review with the prescribed information. The Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account the assessment factors specified in the Investment Canada Act and any written undertakings that may have been given by the non-Canadian acquirer.

The Investment Canada Act also provides that any investment by a non-Canadian in a Canadian business, even where control has not been acquired, can be reviewed on grounds of whether it may be injurious to national security. Where an investment is determined to be injurious to national security, Cabinet can prohibit closing or, if closed, can order the investor to divest control. Short of a prohibition or divestment order, Cabinet can impose terms or conditions on the investment or can require the investor to provide binding undertakings to remove the national security concern.

Competition Act

Part IX of the *Competition Act* (Canada) (the "Competition Act") requires that a pre-merger notification filing be submitted to the Commissioner of Competition (the "Commissioner") in respect of certain classes of merger transactions that exceed certain prescribed thresholds. If a proposed transaction exceeds such thresholds, subject to certain exceptions, the notification filing must be submitted to the Commissioner and the statutory waiting period must expire or be terminated early or waived by the Commissioner before the transaction can be completed.

All mergers, regardless of whether they are subject to Part IX of the Competition Act, are subject to the substantive mergers provisions under Section 92 of the Competition Act. In particular, the Commissioner may challenge a transaction before the Competition Tribunal where the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially in a market. The Commissioner may not make an application to the Competition Tribunal under Section 92 of the Competition Act more than one year after the merger has been substantially completed.

Certain Other Considerations

For a description of certain other considerations with respect to ownership of our common shares following this offering and following the completion of the Distribution, including with respect to amendments to our articles and by-laws, our Board of Directors, voting thresholds for certain matters and shareholder meetings and proposals, among others, see " Material Differences Between the Canada Business Corporations Act, the British Columbia Business Corporations Act and the Delaware General Corporation Law."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common shares, and we cannot predict the effect, if any, that sales of shares or availability of any shares for sale will have on the market price of our common shares prevailing from time to time. Sales of substantial amounts of common shares (including shares retained by BHC or those issued on the exercise of options, warrants or convertible securities, if any) or the perception that such sales could occur, could adversely affect the market price of our common shares and our ability to raise additional capital through a future sale of securities.

Upon completion of this offering, we will have 350,000,000 common shares issued and outstanding, assuming no exercise of outstanding options. All of the 35,000,000 common shares offered by the selling shareholder pursuant to this prospectus will be freely tradable without restriction or further registration under the Securities Act unless such shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act. Upon completion of this offering, approximately 90.0% of our outstanding common shares will be beneficially owned by BHC (or 88.5% if the underwriters exercise their over-allotment option in full). These shares will be "restricted securities" as that phrase is defined in Rule 144. Subject to certain contractual restrictions, including the lock-up agreements described below, holders of restricted shares will be entitled to sell those shares in the public market if they qualify for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act, including in compliance with applicable Canadian securities laws. Subject to the lock-up agreements described below and the provisions of Rule 144, additional shares will be available for sale as set forth below. Upon completion of this offering, BHC will have, subject to certain conditions, registration rights with respect to all of our shares that it owns.

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers, the selling shareholder and BHC have agreed with the underwriters, subject to certain exceptions including early release provisions, not to dispose of or hedge any of our common shares or securities convertible into or exercisable or exchangeable for our common shares, file or cause to be filed a registration statement covering common shares or any securities that are convertible into, exercisable or exchangeable for any of our common shares, or publicly disclose the intention to do any of the foregoing, during the period from the date of this prospectus continuing through the date that is 125 days after the date of this prospectus, except with the prior written consent of each of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC. For additional information, including regarding certain exceptions to which this agreement is subject, see "Underwriting."

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any of our common shares that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our common shares by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year. Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned common shares for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of common shares then-outstanding, which will equal approximately 3,500,000 shares immediately after this offering (assuming no exercise of the underwriters' over-allotment option); and
- the average weekly trading volume in our common shares during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Table of Contents

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Registration Rights Agreement and The Distribution

Upon completion of this offering, BHC, will beneficially own 315,000,000 common shares (assuming no exercise of the underwriters' over-allotment option), and will be entitled to various rights with respect to the registration of these shares under the Securities Act. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement." Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates BHC has indicated that after this offering it may terminate its ownership of our common shares through the Distribution If pursued, the Distribution would be subject to various conditions, including receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and, in the case of a tax-free transaction, an opinion of counsel (and, if elected by BHC, a U.S. Tax Ruling) and the Tax Ruling from the CRA confirming the tax-free treatment of the transaction to BHC, the Company and their respective shareholders and, if effected by way of a plan of arrangement under applicable corporate law, receipt of applicable shareholder approvals. The conditions to any transaction involved in the Distribution may not be satisfied, or BHC may decide for any reason not to consummate the Distribution. See "Risk Factors—Risks Relating to the Separation—The Distribution may not occur." We are unable to predict whether significant numbers of shares will be sold in the open market or otherwise in anticipation of or following any exchange, distribution or sales of our shares by BHC.

Registration Statement

We intend to file a registration statement on Form S-8 under the Securities Act covering all of our common shares reserved for future issuance under our stock plans. We expect to file this registration statement as soon as practicable after this offering. Upon effectiveness, common shares covered by that registration statement will be eligible for sale in the public market, subject to the lock-up agreements described herein.

Canadian Resale Restrictions

Any sale of any of our common shares which constitutes a "control distribution" under Canadian securities laws (generally a sale by a person or a group of persons holding more than 20% of our outstanding voting securities) will be subject to restrictions under Canadian securities laws in addition to those restrictions noted above, unless the sale is qualified under a prospectus filed with Canadian securities regulatory authorities, is made pursuant to a prospectus exemption, or if prior notice of the sale is filed with the Canadian securities regulatory authorities at least seven days before any sale and there has been compliance with certain other requirements and restrictions regarding the manner of sale, payment of commissions, reporting and availability of current public information about us and compliance with applicable Canadian securities laws.

Table of Contents

MATERIAL DIFFERENCES BETWEEN THE CANADA BUSINESS CORPORATIONS ACT, THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT AND THE DELAWARE GENERAL CORPORATION LAW

We are governed by the CBCA, which in some cases has a different effect on shareholders than the corporate laws of Delaware. If the Arrangement is implemented as currently anticipated, following completion of the Distribution we will cease to be governed by the CBCA and we will be governed by the *British Columbia Business Corporations Act* ("BCBCA"). This process is governed by applicable corporate law and is referred to as a "Continuance."

The following is a summary of the material differences between the CBCA, BCBCA and the DGCL, taking into account certain specific provisions in our articles and our bylaws that will be in effect upon the closing of this offering and upon our Continuance under the BCBCA. This summary is qualified in its entirety by reference to the DGCL, the BCBCA, the CBCA and our governing corporate documents, including our proposed articles following the Continuance (the "Continuance Articles"). A copy of the Continuance Articles are attached as an exhibit to the Arrangement Agreement.

Authorized Share Capital

As permitted by the CBCA and our articles, our authorized share capital consists of an unlimited number of (i) common shares; and (ii) preferred shares. Shares under the CBCA are without par value and our articles set out the rights, qualifications, limitations and restrictions applicable to each current class of our shares.	As permitted by the BCBCA and our notice of articles and Continuance Articles, following the Continuance our authorized share capital will consist of an unlimited number of (i) common shares without par value, with special rights and restrictions attached; and (ii) preferred shares without par value, issuable in series, with special rights and restrictions attached.	Under the DGCL, a corporation's certificate of incorporation must specify the number of shares of each class of stock and their par value, or include a statement that such shares are without par value. The certificate of incorporation must also set forth the designations, powers, preferences, rights, qualifications, limitations and restrictions of each class of shares, if any.

Amending of Governing Instrument

Amendment of Articles of Incorporation. Under the CBCA, either a director or a shareholder entitled to vote at an annual or special meeting of shareholders may make a proposal to amend the articles. A proposed amendment to the articles requires approval by special resolution of the shareholders. A special resolution is a resolution passed by not less than two-thirds of the votes cast by the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on that resolution. Under the CBCA, the holders of outstanding shares of a class or series are entitled to vote separately on an	As permitted by the BCBCA, under our Continuance Articles, any amendment to the notice of articles or articles generally requires approval by a special resolution of the shareholders. A special resolution is a resolution passed by a special majority of the votes cast by shareholders Under the Continuance Articles, a special majority is two-thirds of the votes cast on the relevant resolution. If the articles do not specify a threshold, a special majority is two-thirds of the votes cast on the relevant resolution. In the event that an amendment to the articles would prejudice or interfere with a right or special right attached to	*Amendment of Certificate of Incorporation.* Generally, under the DGCL, the affirmative vote of the holders of a majority of the outstanding stock entitled to vote is required to approve a proposed amendment to the certificate of incorporation, following the adoption of the amendment by the board of directors of the corporation, provided that the certificate of incorporation may provide for a greater vote. Under the DGCL, holders of outstanding shares of a class or series are entitled to vote separately on an amendment to the certificate of incorporation if the amendment would have certain consequences,

[Table of Contents](#)

amendment to the articles of incorporation if the articles would have certain consequences, including increasing or decreasing the number of shares of such class, or changes that affect the rights and preferences of such class or series.	issued shares of a class or series of shares, such amendment must be approved separately by the holders of the class or series of shares being affected by a special resolution.	including changes that adversely affect the rights and preferences of such class or series.
Amendment of By Laws Under the CBCA, a shareholder entitled to vote at an annual or special meeting of shareholders may make a proposal to make, amend or repeal a by-law. Unless the articles, by-laws or a unanimous shareholder agreement otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of the corporation. The directors shall then submit such by-law, or amendment or repeal of such by law, to the shareholders at the next meeting of shareholders, and the shareholders may, confirm, reject or amend the by-law, amendment or repeal by ordinary resolution.		*Amendment of By-laws*. Under the DGCL, after a corporation has received any payment for any of its stock, the power to adopt, amend or repeal by-laws shall be vested in the stockholders entitled to vote; provided, however, that any corporation may, in its certificate of incorporation, provide that by-laws may be adopted, amended or repealed by the board of directors. The fact that such power has been conferred upon the board of directors shall not divest the stockholders of the power nor limit their power to adopt, amend or repeal the by-laws.
	Dividends	
Under the CBCA and our articles, dividends may be declared at the sole discretion of the board of directors, subject to any prior rights of the registered holders of any outstanding shares that rank senior to the common shares and provided that we may not declare or pay a dividend if there are reasonable grounds for believing that: (a) we are, or would after the payment be, unable to pay our liabilities as they become due; or (b) the realizable value of our assets would thereby be less than the aggregate of our liabilities and stated capital.	Under the BCBCA and our Continuance Articles, dividends may be declared at the sole discretion of the board of directors. Any dividends declared shall be subject to the rights, if any, of shareholders holding shares with special rights as to dividends. Dividends may not be declared if there are reasonable grounds for believing that the Company is insolvent or the payment of such dividends would render the Company insolvent.	The DGCL generally provides that, subject to certain restrictions, the directors of a corporation may declare and pay dividends upon the shares of its capital stock either out of the corporation's surplus or, if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Further, the holders of preferred or special stock of any class or series may be entitled to receive dividends at such rates, on such conditions and at such times as stated in the certificate of incorporation.
	Number and Election of Directors	
Under the CBCA, the shareholders of a corporation elect directors by ordinary resolution at each annual meeting of shareholders at which	Under the BCBCA, a company must have at least one director and, in the case of a public company, must have at least three	Under the DGCL, the board of directors must consist of at least one person, and the number of directors is generally fixed by, or

such an election is required. Neither our articles, bylaws nor the CBCA provide for cumulative voting. Following the coming into force of new amendments to the CBCA (which is expected to occur in 2022), the CBCA will require that in an uncontested election of directors at a shareholder meeting, the directors must be elected on an individual basis by majority vote.	directors. Our Continuance Articles permit our Board of Directors to set the number of directors. Succeeding directors must be elected and appointed in accordance with the BCBCA and the articles of the company.	in the manner provided in, the by-laws of the corporation, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the certificate. The board of directors may be divided into three classes of directors, with one-third of each class subject to election by the stockholder each year after such classification becomes effective.
	Term of Director Election	
Under the CBCA, directors of a distributing corporation such as the Company may only be elected for a term ending not later than the close of the next annual meeting of shareholders. There is no limit to the number of terms a director may serve.	Under the BCBCA and the Continuance Articles, directors of the Company may only be elected for a term ending not later than the close of the next annual meeting of shareholders.	Under the DGCL, directors hold office until a successor is elected and qualified at the next annual meeting, except in the case of classified boards.
	Removal of Directors	
Under the CBCA, provided that articles of a corporation do not provide for cumulative voting (which ours do not), shareholders of the corporation may, by ordinary resolution passed at a special meeting, remove any director or directors from office.	As permitted under the BCBCA, our Continuance Articles provide that a director may be removed before the expiration of the director’s term by a special resolution of shareholders. Our Continuance Articles also provide that the directors may remove any director before the expiration of such director’s term if the director is convicted of an indictable offence or if the director ceases to be qualified to act as a director.	Under the DGCL any director may be removed, with or without cause, by the affirmative vote of a majority of the shares then entitled to vote at an election of directors, unless the board is classified, cumulative voting is permitted by the certificate of incorporation or the certificate of incorporation provides otherwise.
	Vacancies on the Board of Directors	
Under the CBCA, if a meeting of shareholders fails to elect the number or the minimum number of directors required by reason of the lack of consent, disqualification, incapacity or death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so	Under the BCBCA, filling vacancies on the board of directors will depend on whether a director was removed or if there is a casual vacancy. If the director was removed, the position can be filled by the shareholders at the shareholder meeting where the director is removed. If there is a casual vacancy, such vacancy can	Under the DGCL, vacancies and newly created directorships resulting from an increase in the authorized number of directors, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

elected constitutes a quorum, except as otherwise provided in the CBCA. The CBCA also provides that a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed or, if not so filled, may be filled by a quorum of directors.	be filled by the remaining directors	
	Qualifications of Directors	
Under the CBCA, directors must (i) be 18 years of age or older, (ii) be capable of managing the director's own affairs, (iii) have no undischarged bankruptcy and (iv) not be convicted of an offence in connection with the promotion, formation or management of a corporation or unincorporated business or of an offence involving fraud. In addition, the CBCA requires that at least 25% of directors of a CBCA corporation must be resident Canadians and where the number of directors is fewer than four, at least one director must be a resident Canadian.	Under the BCBCA, the general qualifications to serve as a director are substantially similar to the CBCA. However, directors are not required to be residents of British Columbia or Canada.	Under the DGCL, directors are not required to be residents of Delaware or the United States.
	Shareholder Proposals	
Under the CBCA, persons who have been the registered holder or beneficial owner of at least 1% of the outstanding shares of the corporation or shares with a fair market value of at least $2,000 for at least six months (or have the support of persons who together have held such number of outstanding shares) may make proposals that must, subject to certain exceptions, be included in the corporation's proxy circular together with a supporting statement of not more than 500 words. Such a proposal may include nominations for the election of directors of the corporation where the	Under the BCBCA, a person submitting a proposal must have been the registered or beneficial owner of one or more voting shares for an uninterrupted period of at least two years before the date of the signing of the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the company's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation Our Continuance Articles contain advance notice provisions	Under the DGCL, the bylaws of a corporation may include provisions respecting the nomination of directors or proposals by stockholders, including requirements for advance notice to the corporation.

Table of Contents

proposal is submitted by a person (or group of persons) holding not less than 5% of the shares (or of a class of shares) entitled to vote at the meeting to which the proposal is to be presented. Our by-laws contain advance notice provisions respecting the nomination of directors and the proposing of the business.	respecting the nomination of directors.	
	Required Vote for Certain Transactions	
Under the CBCA, certain extraordinary corporate actions, such as continuances, certain amalgamations, sales, leases or other dispositions of all, or substantially all of, the property of a corporation (other than in the ordinary course of business), liquidations, dissolutions and certain arrangements, are required to be approved by special resolution of shareholders.	Under the BCBCA, certain extraordinary corporate actions, such as continuances, certain amalgamations, sales, leases or other dispositions of all, or substantially all of, the undertaking of a company (other than in the ordinary course of business), liquidations, dissolutions and certain arrangements, are required to be approved by a special resolution of shareholders.	Generally, under the DGCL, certain mergers, consolidation, sale, lease, exchange or other disposition of all, or substantially all, the property and assets of a corporation or dissolution of the corporation requires the approval of a majority of the outstanding voting stock of the corporation entitled to vote thereon.
	Quorum of Shareholders	
Our bylaws provide that a quorum for general meetings of shareholders requires that holders present and holding or representing by proxy not less than 25% of the total number of issued and outstanding shares of the Company having voting rights at such meeting.	As permitted under the BCBCA, our Continuance Articles will provide for quorum requirements that are substantially similar to those under the CBCA.	Under the DGCL, unless otherwise provided in the certificate of incorporation, with respect to any matter, a quorum for a meeting of stockholders requires the holders of a majority of the shares entitled to vote are represented at the meeting in person or by proxy.
	Shareholder Access to Corporate Records	
Under the CBCA, shareholders, creditors, and their representatives, after giving the required notice, may examine certain of the records of a corporation during usual business hours and take extracts free of charge.	Under the BCBCA, specified books and records of the company must be available for inspection by any of our shareholders at the registered and records office.	Under the DGCL, a stockholder of record has the right to inspect the books and records of the corporation, provided that such inspection is for a proper purpose which is reasonably related to such stockholder's interest as a stockholder.

Table of Contents

Call and Notice of Stockholder Meetings

Our bylaws provide that any shareholder meeting may be held at any location within Canada or the United States as the board of directors may determine in their discretion. Notice of the time and place of a meeting of shareholders must be sent at least 21 days and not more than 60 days before the meeting to each shareholder entitled to vote at the meeting, Under the CBCA, the directors have the power at any time to call a special meeting of shareholders. The holders of not less than 5% of the issued shares of the corporation that carry the right to vote at a meeting sought to be held can also requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.	In accordance with the BCBCA, our Continuance Articles provide that an annual general meeting must be held at least once in each calendar year, and not more than 15 months after the last annual reference date, at such time and place as may be determined by the directors. An annual meeting of shareholders may be held at a location outside British Columbia if the location for the meeting is provided for in the articles or, if the articles do not restrict the company from holding a meeting outside of British Columbia, at a location approved as required by the articles (and if not so specified then as approved by ordinary resolution of the shareholders). Our Continuance Articles permit the directors to approve a location for the annual general meeting that is outside of British Columbia. We must provide notice of the annual general meeting to each shareholder entitled to attend the meeting, to each director and to the auditor of the company at least 21 days but not more than two months before the meeting date. Under our Continuance Articles, our directors have the power at any time to call a meeting of shareholders. Under the BCBCA, the holders of not less than 5% of the issued shares of a company that carry the right to vote at a general meeting may requisition the directors to call a meeting of shareholders.	Under the DGCL, an annual or special stockholder meeting is held on such date, at such time and at such place as may be designated by the board of directors or any other person authorized to call such meeting under the corporation's certificate of incorporation or by-laws. If an annual meeting for election of directors is not held on the date designated or an action by written consent to elect directors in lieu of an annual meeting has not been taken within 30 days after the date designated for the annual meeting, or if no date has been designated, for a period of 13 months after the later of the last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, the Delaware Court of Chancery may summarily order a meeting to be held upon the application of any stockholder or director. Special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the by-laws.

Interested Director Transactions

Under the CBCA, a director who has a conflict of interest in any material contract or material transaction must promptly disclose the nature and extent of the conflict and may not vote on any board resolutions to approve such contract or transaction,	Under the BCBCA and Continuance Articles, a director who holds a disclosable interest in a contract or transaction may not vote on any directors' resolution to approve such contract or transaction unless all directors	Under the DGCL, a transaction in which a director of the corporation has a conflict of interest is not void or voidable solely because of the director's conflict, solely because the director is present at or participates in the meeting of

subject to certain exceptions under the CBCA Excluded directors will, however, count for purposes of quorum. A director is liable to account to the corporation for any profit that accrues to the director under or as a result of the interested contract or transaction.

have a disclosable interest, in which case any or all of the directors may vote. Excluded directors will, however, count for the purposes of quorum. A director or senior officer is liable to account to the company for any profit that accrues to the director or senior officer under or as a result of the interested contract or transaction.

the board of directors or committee which authorizes the transaction or solely because any such director's vote is counted for such purpose, if (a) the material facts of the conflict of interest are known to or disclosed to the board of directors or the committee and the board of directors or committee in good faith authorizes the transaction by a majority of the votes of the disinterested directors, (b) the material facts of the conflict of interest are known or disclosed to the stockholders of the corporation and the transaction is approved in good faith by the stockholders, or (c) the board of directors can demonstrate that the transaction is fair as to the corporation as of the time it is approved by the board of directors, committee or stockholders.

Directors' and Officers' Liability and Indemnification

Under the CBCA, a corporation may indemnify a director or officer, a former director or officer or a person who acts or acted at the corporation's request as a director or officer or an individual acting in a similar capacity of another entity (an "indemnifiable person"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative or other proceeding in which he or she is involved because of that association with the corporation or other entity, if: (1) the individual acted honestly and in good faith with a view to the best interests of such corporation (or the other entity, as the case may be) and (2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had

Our Continuance Articles provide that we must indemnify all eligible parties (which includes our current and former directors and officers), and such person's heirs and legal personal representatives, as set out in the BCBCA, against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. In addition, we may indemnify any other person in accordance with the BCBCA.

Under the DGCL, a corporation has the power to indemnify any person who was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, or any person who was, is or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor, in each case by reason of the fact that the person is or was a director, office, employee or agent of the corporation, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably reasonable grounds for believing that the individual's conduct was lawful. An indemnifiable person may require the corporation to indemnify the individual in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the corporation (or other entity, as the case may be) if the individual was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and the individual fulfills the conditions set out in (1) and (2) above. A corporation may, with the approval of a court, also indemnify an indemnifiable person against all costs, charges and expenses in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favor, to which such person is made a party by reason of being or having been a director or an officer of the corporation or other entity, if he or she fulfills the conditions set forth in (1) and (2), above.

believed to be in or not opposed to the best interest of the corporation, and subject to certain other limitations.

Derivative Actions

Under the CBCA, a "complainant", which includes a current or former shareholder (including a beneficial shareholder), director or officer of a corporation or its affiliates (or former director or officer of the corporation or its affiliates) and any other person who, in the discretion of the court, is an appropriate person, may make an application to court to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of

Under the BCBCA, a shareholder, defined for derivative actions to include a former shareholder, a beneficial shareholder and any other person whom a court considers to be an appropriate person to make an application under the BCBCA, or a director of a company may, with leave of the court, bring a legal proceeding in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself, or to obtain damages for any breach of such an obligation. An

Under the DGCL, a stockholder may bring a derivative action on behalf of a corporation to enforce the corporation's rights if he or she was a stockholder at the time of the transaction which is the subject of the action. Additionally, under Delaware case law, a stockholder must have owned stock in the corporation continuously until and throughout the litigation to maintain a derivative action. Delaware law also requires that, before commencing a derivative action, a stockholder must make a demand

the body corporate (a derivative action)	applicant may also, with leave of the court, defend a legal proceeding brought against a company.	on the directors of the corporation to assert the claim, unless such demand would be futile. A stockholder also may commence a class action suit on behalf of himself or herself and other similarly situated stockholders where the requirements for maintaining a class action have been met.
	Oppression Remedy	
The CBCA provides an oppression remedy that enables a court to make any order, whether interim or final, to rectify matters that are oppressive or unfairly prejudicial to any shareholder, which includes a beneficial shareholder or any other person who, in the court's discretion, is a proper person to make such an application. The oppression remedy provides the court with very broad and flexible powers to intervene in corporate affairs to protect shareholders and other applicants.	The BCBCA provides an oppression remedy that enables a court to make any order, whether interim or final, to rectify matters that are oppressive or unfairly prejudicial to any shareholder, which includes a beneficial shareholder or any other person who, in the court's discretion, is a proper person to make such an application. The oppression remedy provides the court with very broad and flexible powers to intervene in corporate affairs to protect shareholders and other applicants.	The DGCL does not expressly provide for a similar remedy.

Other Effects of the Continuance

If we continue under the BCBCA as currently anticipated, the BCBCA provides that when a "foreign corporation" (which would include the Company prior to its Continuance) continues under such legislation:

(a) the property, rights and interests of the foreign corporation continue to be the property, rights and interests of the company;

(b) the company continues to be liable for the obligations of the foreign corporation;

(c) an existing cause of action claim or liability to prosecution is unaffected;

(d) a legal proceeding being prosecuted or pending by or against the foreign corporation may be prosecuted or its prosecution may be continued, as the case may be, by or against the company; and

(e) a conviction against, or a ruling, order or judgment in favor of or against, the foreign corporation may be enforced by or against the company.

Our Continuance will not affect our status as a listed company on the NYSE or the TSX.

As of the effective date of the Continuance, our then-current articles and by-laws under the CBCA, will be replaced with a notice of articles and articles under the BCBCA. The jurisdiction of incorporation of Bausch + Lomb will be the Province of British Columbia and Bausch + Lomb will no longer be subject to the provisions of the CBCA.

We currently anticipate that the Continuance will be effected as part of the Plan of Arrangement, however, its implementation and terms are subject to the terms and conditions of the Arrangement Agreement and the Continuance may not occur on the timeline currently anticipated or at all.

MATERIAL U S FEDERAL INCOME TAX CONSIDERATIONS

The following is a description of the material U.S. federal income tax consequences to U.S. Holders, as defined below, of owning and disposing of common shares. It does not set forth all tax considerations that may be relevant to a particular person's decision to acquire common shares. This section is general in nature and does not address tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or the laws of any state, local or non-U.S. taxing jurisdiction.

This section applies only to a U.S. Holder that holds common shares as capital assets for U.S. federal income tax purposes. In addition, it does not set forth all of the U.S. federal income tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the provisions of the Code known as the Medicare contribution tax and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding common shares as part of a hedging transaction, straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the common shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- pass-through entities (*e.g.*, S corporations, partnerships or entities classified as partnerships for U.S. federal income tax purposes) or investors who hold common shares through pass-through entities;
- tax-exempt entities, including an "individual retirement account" or "Roth IRA;"
- persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the common shares to their financial statements under Section 451(b) of the Code;
- persons that own or are deemed to own 10% or more of our shares (by vote or value); or
- persons holding common shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds common shares, the U.S. federal income tax treatment of a partner will depend on the status of the partner and the activities of the partnership Partnerships considering an investment in common shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the common shares.

This section is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between Canada and the United States (the "Treaty") all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect.

As used herein, the term "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of common shares, and is eligible for the benefits of the Treaty, and is:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States, any state thereof or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of common shares in their particular circumstances.

Taxation of Distributions

Subject to the passive foreign investment company rules described below, any distributions (which include any amounts withheld in respect of the distributions) paid on common shares, other than certain *pro rata* distributions of common shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) and included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. Any distributions in excess of current and accumulated earnings and profits will be treated first as a tax free return of capital to the extent of the U S Holder's adjusted tax basis in the common shares and then as capital gain Because we do not maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should assume that any distribution by us with respect to the common shares will constitute ordinary dividend income.

Subject to the passive foreign investment company rules described below and certain holding-period requirements, for so long as our common shares are listed on the NYSE or another established securities market in the United States or we are eligible for benefits under the Treaty, any dividends paid to non-corporate U.S. Holders generally will be eligible for taxation as "qualified dividend income," which is taxable at rates not in excess of the long-term capital gain rate applicable to such U.S. Holders. Any such dividends will not be eligible for the dividends-received deduction available to U.S. corporations under the Code. U.S. Holders should consult their tax advisers regarding the availability of the reduced tax rate on dividends in their particular circumstances For U S foreign tax credit purposes, any dividend generally will be treated as foreign source dividend income and will generally constitute passive category income. U.S. Holders should consult their tax advisers regarding the availability of the U.S. foreign tax credit under their particular circumstances.

Sale or Other Disposition of Common Shares

Subject to the passive foreign investment company rules described below, any gain or loss realized on the sale or other disposition of common shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the common shares for more than one year. The amount of any such gain or loss will equal the difference, if any, between the U.S. Holder's adjusted tax basis in such common shares and the amount realized on the disposition. Any long term capital gain recognized by a non-corporate U.S. Holder may be eligible for reduced rate of taxation. The deductibility of capital losses is subject to limitations. Any gain recognized by a U.S. Holder on the sale or other disposition of common shares generally will be treated as U.S. source gain for U.S. foreign tax credit purposes.

Passive Foreign Investment Company Rules

Under the Code, we will be a passive foreign investment company (a "PFIC") for any taxable year in which, after the application of certain "look-through" rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of "passive income," or (ii) 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, "passive income." For purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares of such corporation. Passive income includes, among other things, interest, dividends, rents, certain non-active royalties and capital gains.

Based on our current operations, income, assets and certain estimates and projections, including as to the relative values of our assets, we do not expect to be a PFIC for the current taxable year or in the foreseeable future.

If we were a PFIC for any taxable year during which a U S Holder holds common shares, we would continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder holds common shares, even if we ceased to meet the threshold requirements for PFIC status, unless the U.S. Holder makes a valid deemed sale or deemed dividend election under the applicable Treasury regulations with respect to its common shares.

If we were a PFIC for any taxable year during which a U.S. Holder held common shares, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the common shares would be allocated ratably over the U.S. Holder's holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate imposed on ordinary income in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the amount allocated to that taxable year Further, to the extent that any distribution received by a U.S. Holder on its common shares exceeds 125% of the average of the annual distributions on the common shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available to a U.S. Holder which would result in different tax consequences from those described above.

In addition, if we were a PFIC or, with respect to a particular U.S. Holder, were treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to non-corporate U.S. Holders would not apply.

If a U.S. Holder owns common shares during any year in which we are a PFIC, the U.S. Holder generally must file annual reports, containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us, with the U.S. Holder's federal income tax return for that year, unless otherwise specified in the instructions with respect to such form.

U.S. Holders should consult their tax advisers concerning the application of the PFIC rules in their particular circumstances in the event that we are or become a PFIC.

Information Reporting and Backup Withholding

Payments of dividends and proceeds from sales or other dispositions of common shares that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Reporting With Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals and certain entities may be required to report information relating to an interest in our common shares by filing a Form 8398 with their U.S. federal income tax return, subject to certain exceptions (including an exception for common shares held in accounts maintained by certain U.S. financial institutions). Failure to file a Form 8398 where required can result in significant monetary penalties and the extension of the relevant statute of limitations with respect to all or a part of the relevant U.S. tax return. U.S. Holders should consult their tax advisers regarding this reporting requirement.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires as beneficial owner common shares pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times: (a) acquires and holds the common shares as capital property; (b) deals at arm's length with the Company, BHC and the Underwriters; and (c) is not affiliated with the Company, BHC or any Underwriter (a "Holder"). A common share will generally be capital property to a Holder provided the Holder does not acquire or hold such common share in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based on the facts set out in this prospectus, the current provisions of the Tax Act, the *Income Tax Regulations* (Canada) (the "Regulations") and the current administrative practices of the CRA published in writing by the CRA prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) ("Tax Proposals") before the date of this prospectus and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial, territorial, or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is not applicable to a Holder (a) that is a "financial institution" for purposes of the mark to market rules in the Tax Act; (b) an interest in which would be, or whose common shares are, a "tax shelter investment," as defined in the Tax Act; (c) that is a "specified financial institution," as defined in the Tax Act; (d) that has made a functional currency reporting election under the Tax Act to report its "Canadian tax results" as defined in the Tax Act in a currency other than Canadian currency; (e) that has entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement," as defined in the Tax Act, in respect of our common shares; or (f) that receives dividends on our common shares under or as part of a "dividend rental arrangement," as defined in the Tax Act. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of our common shares, controlled by a non-resident person or, if no single non-resident person has or acquires control, a group of persons (comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts) that do not deal at arm's length for purposes of the "foreign affiliate dumping" rules in section 212 3 of the Tax Act Such Holders should consult their own tax advisors regarding the federal income tax consequences of acquiring, holding and disposing of common shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder or prospective Holder are made. Accordingly, prospective Holders should consult their own tax advisors with respect to an investment in our common shares having regard to their particular circumstances.

Residents of Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the Tax Act, is, or is deemed to be, resident in Canada (a "Resident Holder"). Certain Resident Holders whose common shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election pursuant to subsection 39(4) of the Tax Act to have his, her or its common shares, and every other "Canadian security," as defined in the Tax Act, owned by such Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. Such holders whose common shares might not otherwise be considered to be capital property should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their own circumstances.

Dividends on Common Shares

Dividends received (or deemed to be received) on a Common Share by a Resident Holder who is an individual (other than certain trusts) must be included in computing such Resident Holder's income and will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends." There may be limitations on the ability of the Company to designate dividends as "eligible dividends "

Dividends received (or deemed to be received) by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals (including certain trusts) should consult their own tax advisors in this regard.

Dividends received (or deemed to be received) on a Common Share by a Resident Holder that is a corporation must be included in computing such Resident Holder's income for the taxation year and will generally also be deductible in computing such Resident Holder's taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act may deem some or all of a taxable dividend to be proceeds of disposition or a gain from the disposition of capital property rather than a dividend, in which case the rules described below under "Taxation of Capital Gains and Capital Losses" would apply. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation," each as defined in the Tax Act, will generally be liable under Part IV of the Tax Act to pay an additional tax that is refundable in certain circumstances, on dividends received, or deemed to be received, on a Common Share to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) which includes dividends or deemed dividends that are not deductible in computing taxable income. Tax Proposals announced by the Minister of Finance on April 7, 2022 propose to extend this additional tax and refund mechanism in respect of "aggregate investment income" to "substantive CCPC's" as defined in the Tax Proposals. The complete legislation for such Tax Proposals has not been released; Resident Holders are advised to consult their own tax advisors.

Disposition of Common Shares

Upon a disposition or deemed disposition of common shares (other than to the Company, unless purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market), a capital gain (or capital loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the common shares to the Resident Holder immediately before the disposition and any reasonable costs of disposition.

The adjusted cost base of a Common Share to a Resident Holder will be determined in accordance with certain rules in the Tax Act by averaging the cost to the Resident Holder of a Common Share with the adjusted cost base of all other common shares held by the Resident Holder and by making certain other adjustments required under the Tax Act. The Resident Holder's cost for purposes of the Tax Act of common shares will include all amounts paid or payable by the Resident Holder for the common shares, subject to certain adjustments under the Tax Act.

Table of Contents

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year must be included in computing the Resident Holder's income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized in that taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

If the Resident Holder is a corporation, any such capital loss realized on the sale of a Common Share may be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such Common Share to the extent and in circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns common shares, directly or indirectly through a partnership or a trust. Such Resident Holders should consult their own tax advisors in this regard.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax, which may be refundable in certain circumstances, on "aggregate investment income" (as defined in the Tax Act), which includes taxable capital gains. Tax Proposals announced by the Minister of Finance on April 7, 2022 propose to extend this additional tax and refund mechanism in respect of "aggregate investment income" to "substantive CCPC's" as defined in the Tax Proposals. The complete legislation for such Tax Proposals has not been released; Resident Holders are advised to consult their own tax advisors.

Non-Residents of Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention is not, and is not deemed to be, resident in Canada and does not use or hold (and is not deemed to use or hold) the common shares in, or in the course of, carrying on a business or part of a business carried on in Canada (a "Non-Resident Holder"). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act) and such holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited, or deemed to be paid or credited, on a Common Share to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which such Non-Resident Holder may be entitled under an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence. For example, the rate of withholding tax applicable to a dividend paid on a Common Share to a Non-Resident Holder that is the beneficial owner of the dividend and who is a resident of the United States for purposes of, and is fully entitled to the benefits of, the Canada U.S. Income Tax Convention (1980), will generally be reduced to 15%. Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a Common Share and capital losses arising on a disposition or deemed disposition of a Common Share will not be recognized under the Tax Act unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the

Non Resident Holder at the time of disposition and the Non Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, as long as the common shares are listed on a “designated stock exchange” (which currently includes the NYSE and the TSX), at the time of disposition, the common shares will generally not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60-month period immediately preceding the disposition or deemed disposition of the common shares, the following two conditions have been met concurrently: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm’s length, or (iii) partnerships in which the Non-Resident Holder or persons described in (i) hold a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class of the capital stock of the Company, and (b) more than 50% of the fair market value of the common shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act) or an option in respect of, an interest in, or for civil law or a right in, any such property, whether or not such property exists. Notwithstanding the foregoing, a Common Share may also be deemed under the Tax Act to be taxable Canadian property of a Non-Resident Holder in certain circumstances.

If the common shares are, or are deemed to be, taxable Canadian property to a Non-Resident Holder (and are not “treaty protected property” as defined in the Tax Act) any capital gain or losses realized on the disposition or deemed disposition of such common shares will generally be computed in the manner described above under the heading “Taxation of Capital Gains and Capital Losses.”

Non-Resident Holders should consult their own advisors regarding whether their common shares constitute taxable Canadian property.

Table of Contents

UNDERWRITING

The selling shareholder is offering the common shares described in this prospectus through a number of underwriters. Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as representatives of the underwriters. We and the selling shareholder have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, the selling shareholder has agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less underwriting commissions set forth on the front cover page of this prospectus, the number of common shares listed next to its name in the following table:

Name	Number of shares
Morgan Stanley & Co. LLC	
Goldman Sachs & Co. LLC	
Citigroup Global Markets Inc.	
J.P. Morgan Securities LLC	
Barclays Capital Inc.	
BofA Securities, Inc.	
Guggenheim Securities, LLC*	
Jefferies LLC	
Evercore Group L.L.C.*	
Wells Fargo Securities, LLC	
Deutsche Bank Securities Inc.*	
DNB Markets, Inc.*	
HSBC Securities (USA) Inc.	
Truist Securities, Inc.*	
AmeriVet Securities, Inc.*	
Loop Capital Markets LLC*	
Samuel A. Ramirez & Company, Inc.*	
R. Seelaus & Co., LLC*	
Siebert Williams Shank & Co., LLC*	
Stern Brothers & Co.*	
Total	35,000,000

* Such underwriters and their respective affiliates are not registered to sell securities in any Canadian jurisdiction and, accordingly, will only sell common shares outside of Canada

The offering is being made concurrently in the United States and in each of the provinces and territories of Canada other than Quebec. The common shares will be offered in the United States through those underwriters or their U.S. affiliates who are registered to offer the common shares for sale in the United States and such other registered dealers as may be designated by the underwriters. The common shares will be offered in each of the provinces and territories of Canada other than Quebec through those underwriters or their Canadian affiliates who are registered to offer the common shares for sale in such provinces and territories and such other registered dealers as may be designated by the underwriters. Subject to applicable law, the underwriters, or such other registered dealers as may be designated by the underwriters, may offer the common shares outside of the United States and Canada.

The obligations of the underwriters under the underwriting agreement may be terminated at any time before closing of this offering upon the occurrence of certain stated events, including: (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the TSX, the NYSE, the NYSE American or the NASDAQ Global Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over the counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or Canada shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by U.S. Federal or New York State or relevant Canadian authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in the representatives' judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the representatives' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the common shares. The underwriters are committed to purchase all of the common shares offered if they purchase any shares. The underwriting agreement also provides that, if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated in certain circumstances.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the front cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The selling shareholder will pay an underwriting commission equal to $ per common share. The underwriters' commission will be set-off against a portion of the purchase price payable to the selling shareholder in an amount equal to the underwriters' commission, and payment by the underwriters to the selling shareholder of the purchase price net of the underwriters' commission will be full satisfaction of the underwriters' obligation to pay the purchase price for the common shares and of the selling shareholder's obligation to pay the underwriters' commission.

The following table shows the per share and total underwriting commissions.

	Per Common Share	Total
Underwriting commissions paid by the selling shareholder	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses (including fees related to the Distribution), but excluding underwriting commissions, will be approximately $37.0 million, and will be paid by the selling shareholder. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, Inc. ("FINRA") up to $30,000.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We, the selling shareholder, BHC, our directors and our executive officers have agreed that, for a period of 125 days after the date of this prospectus (the "restricted period"), we and they will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any of our common shares or any securities convertible into or exercisable or exchangeable for any of our common shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares or any such other securities (whether any such transaction described in clause (i) or (ii) above is to be settled by the delivery of our

Table of Contents

common shares or such other securities, in cash or otherwise), in each case without the prior written consent of Morgan Stanley & Co LLC and Goldman Sachs & Co. LLC, other than the common shares to be sold hereunder and any of our common shares issued upon the exercise of options granted under our stock plans and except for sales of common shares to our parent company, BHC, to the extent necessary to enable it to maintain ownership of at least 80% of our outstanding common shares until the occurrence of the Distribution.

The restrictions described in the paragraph above ("the lock-up restrictions") relating to the Company do not apply to:

(a) the shares to be sold hereunder;

(b) the issuance by the Company of common shares upon the vesting, exercise or settlement of options or restricted stock units or the conversion of convertible securities or the exchange of exchangeable securities, or options to purchase common shares, in each case outstanding on the date of this prospectus and provided that such option or security is disclosed in or contemplated by this prospectus;

(c) issuances by the Company of grants of other equity-based awards (including any securities convertible into common shares) pursuant to plans described in this prospectus and issuances pursuant thereto;

(d) any transaction or actions to facilitate or otherwise in connection with the Distribution;

(e) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to the Company's equity-based compensation plans that are described in this prospectus; or

(f) facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5 1 under the Exchange Act or equivalent Canadian securities laws for the transfer of common shares, provided that (i) such plan does not provide for the transfer of common shares during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Shares may be made under such plan during the restricted period.

With respect to clauses (b), (d), (e) and (f) above, any such transfer shall not involve a disposition for value.

The lock-up restrictions relating to the directors and officers of the Company do not apply to:

(a) transactions relating to common shares or other securities acquired in open market transactions after the completion of this offering, provided that no filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements shall be required or shall be voluntarily made in connection with subsequent sales of common shares or other securities acquired in such open market transactions;

(b) transfers of common shares or any security convertible into common shares as a bona fide gift, provided that (i) each donee or distributee shall sign and deliver a lock up agreement and (ii) no filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of common shares, shall be required or shall be voluntarily made during the restricted period;

(c) any common shares obtained as a result of the vesting, conversion, exercise, exchange, settlement or delivery of shares of common shares in connection with any options, stock appreciation rights, restricted stock units, performance units or other equity or equity-based awards, in each case, granted pursuant to any equity compensation, incentive compensation or employee benefit plan of the Company described in this prospectus (including the conversion of any equity-based awards in the form of securities of BHC into securities or equity-based awards of the Company), or in connection with one or more sales of shares of common shares to the Company, or "net-share settlement", to satisfy any tax withholding obligations or exercise price applicable to any such options, stock appreciation rights, restricted stock units, performance units or other equity or equity based awards; provided that (i) any shares of common shares received upon such vesting, conversion, exercise, exchange, settlement or delivery of shares shall be subject to all of the restrictions set forth in the lock-up agreement and (ii) no filing under Section 16 of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of shares of common shares shall be made during the restricted period, unless such filing indicates in the footnotes thereto that the filing relates to the exercise of equity awards, that no shares were sold to the public by the reporting filing shall include a statement to the effect that no transfer of common shares may be made under such plan during the restricted period.

(d) transfers to any trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party (for purposes hereof, “immediate family” shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); *provided* that (i) the trustee of the trust agrees to be bound in writing by the restrictions set forth the lock up agreement and (ii) no filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of common shares, shall be required or shall be voluntarily made during the Restricted Period;

(e) transfers of common shares to a corporation, partnership, limited liability company, investment fund or other entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the lock up party, or is wholly-owned by the lock up party and/or by members of the immediate family of the lock up party, or, in the case of an investment fund, that is managed by, or is under common management with, the lock up party (including, for the avoidance of doubt, a fund managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company as the lock up party or who shares a common investment advisor with the lock up party); provided that (i) the transferee agrees to be bound in writing by the restrictions set forth in the lock up agreement and (ii) no filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of common shares, shall be required or shall be voluntarily made during the restricted period;

(f) transfers of common shares pursuant to an order of a court or regulatory agency or to comply with any regulations related to the lock up party’s ownership of common shares; provided that, in the case of any transfer pursuant to this clause, any filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of shares of common shares, shall state that such transfer is pursuant to an order of a court or regulatory agency or to comply with any regulations related to the ownership of common shares, unless such a statement would be prohibited by any applicable law, regulation or order of a court or regulatory authority;

(g) pursuant to a will or other testamentary documents or applicable laws of descent, or otherwise by way of testate or intestate succession; *provided* that (i) the transferee agrees to be bound in writing by the restrictions set forth in the lock up agreement and (ii) any filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of shares of common shares, shall state that such transfer is pursuant to a will or other testamentary documents or applicable laws of descent, or otherwise by way of intestate succession;

(h) pursuant to a qualified domestic order or in connection with a divorce settlement; provided that (i) the transferee agrees to be bound in writing by the restrictions set forth in the lock up agreement and (ii) any filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of shares of common shares, shall state that such transfer is pursuant to a qualified domestic order or in connection with a divorce settlement;

(i) pursuant to a bona fide third-party tender offer, take-over bid, merger, amalgamation, consolidation or other similar transaction made to all holders of the Company’s securities and approved by the board of directors involving a change of control of the Company (for purposes hereof, "change of control" shall mean the transfer (whether by tender offer, take-over bid, merger, amalgamation, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transaction, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that the tender offer, take-over bid, merger, amalgamation, consolidation or other such transaction is not completed, the lock-up party's common shares shall remain subject to the terms of the lock-up;

(j) distributions of common shares or any security convertible into common shares to limited partners or stockholders of the lock-up party, provided that (i) each donee or distributee shall sign and deliver a lock up agreement and (ii) no filing under Section 16(a) of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of common shares, shall be required or shall be voluntarily made during the restricted period; or

(k) the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act or equivalent Canadian securities laws for the transfer of common shares, provided that (i) such plan does not provide for the transfer of common shares during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act or applicable Canadian securities laws, if any, is required of or voluntarily made by or on behalf of the lock-up party or the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common shares may be made under such plan during the restricted period.

Notwithstanding anything to the contrary, with respect to clauses (b), (d), (e) and (f) above, any such transfer shall not involve a disposition for value.

The lock-up restrictions relating to BHC and the selling shareholder do not apply to transfers:

(a) as a result of the vesting, conversion, exercise, exchange, settlement or delivery of shares of common shares in connection with any options, stock appreciation rights, restricted stock units, performance units or other equity or equity-based awards, in each case, granted pursuant to any equity compensation, incentive compensation or employee benefit plan of the Company described in this prospectus (including the conversion of any equity-based awards in the form of securities of BHC into securities or equity-based awards of the Company), or in connection with one or more sales of shares of common shares to the Company, or "net-share settlement", to satisfy any tax withholding obligations or exercise price applicable to any such options, stock appreciation rights, restricted stock units, performance units or other equity or equity-based awards; provided that no filing under Section 16 of the Exchange Act or under Canadian insider reporting requirements, reporting a reduction in beneficial ownership of shares of common shares shall be made during the restricted period, unless such filing indicates in the footnotes thereto that the filing relates to the exercise of equity awards, that no shares were sold to the public by the reporting person and that the shares of common shares received upon exercise of such securities are subject to a lock-up agreement with the representatives of the underwriters; or

(b) among the lock-up party and/or any of its controlled affiliates as intercompany transfers to facilitate the Distribution and transactions related thereto; or

(c) pursuant to a bona fide third-party tender offer, take-over bid, merger, amalgamation, consolidation or other similar transaction made to all holders of the Company's securities and approved by the board of directors involving a change of control of the Company (for purposes hereof, "change of control" shall mean the transfer (whether by tender offer, take-over bid, merger, amalgamation, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transaction, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that the tender offer, take-over bid, merger, amalgamation, consolidation or other such transaction is not completed, the lock-up party's common shares shall remain subject to the terms of the lock-up agreement.

In addition, notwithstanding the foregoing, if the last reported closing price of the Company's common shares on any exchange on which such common shares are listed (the "Closing Price") is at least 25% greater than the initial public offering price per share set forth on the cover page of this prospectus for 10 out of any 15 consecutive Trading Days (including the last day of such 15 Trading-Day period (any such 15 Trading-Day period during which such condition is satisfied, the "Measurement Period")) ending on or after the first Trading Day following the date that the Company has publicly released earnings for its second quarter of the fiscal year ending December 31, 2022, then the common shares subject to the lock up restrictions will be automatically released from such restrictions immediately prior to the opening of trading on any exchange on which the Company's common shares are listed on the first Trading Day (or, in the case of officers and directors of the Company, the third Trading Day) following the end of the Measurement Period (the "Early Lock-Up Expiration Date"). For purposes of this paragraph, a "Trading Day" is a day on which the NYSE and the TSX are open for the buying and selling of securities.

We have applied to list our common shares on the NYSE and the TSX, in each case under the symbol "BLCO." Our common shares will trade in U.S. dollars on the NYSE and in Canadian dollars on the TSX. Listings on the NYSE and the TSX are subject to approval by the NYSE and the TSX in accordance with their respective original listing requirements. The TSX has not conditionally approved our listing application and there is no assurance that the TSX will approve our listing application

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling common shares in the open market for the purpose of preventing or retarding a decline in the market price of our common shares while this offering is in progress. These stabilizing transactions may include making short sales of our common shares, which involves the sale by the underwriters of a greater number of our common shares than they are required to purchase in this offering, and purchasing our common shares on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' overallotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their overallotment option referred to above, in whole or in part, or by purchasing shares in the open market In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through their overallotment option referred to above. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common shares in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

Any naked short position created by overselling the distribution would form part of the underwriters' over-allocation position and a purchaser who acquires common shares forming part of the underwriters' over-allocation position acquires such common shares under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the underwriters' option to purchase additional common shares or secondary market purchases.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of our common shares, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase our common shares in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay underwriting commissions received by them.

Table of Contents

These activities may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of our common shares, and, as a result, the price of our common shares may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over the counter market or otherwise.

In accordance with rules and policy statements of certain Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces ("UMIR"), the underwriters may not, at any time during the period of distribution, bid for or purchase common shares. The foregoing restriction is, however, subject to exceptions as permitted by such rules and policy statements and UMIR. These exceptions include a bid or purchase permitted under such rules and policy statements and UMIR, relating to market stabilization and market balancing activities and a bid or purchase on behalf of a customer where the order was not solicited

Prior to this offering, there has been no public market for our common shares. The initial public offering price will be determined by negotiations between us, the selling shareholder and the representatives of the underwriters. In determining the initial public offering price, the selling shareholder and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

We cannot, and neither BHC, nor the underwriters can, assure investors that an active trading market will develop for our common shares, or that our common shares will trade in the public market at or above the initial public offering price.

Certain Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates, and may provide from time to time in the future, certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. For instance, affiliates of certain of the underwriters are lenders under our Credit Facilities that we intend to enter into in connection with the consummation of this offering. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

Other than in the United States and each of the provinces and territories of Canada other than Quebec, no action has been taken by us, the selling shareholder or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area an offer of securities described in this prospectus may not be made to the public in that Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, except that an offer of securities described in this prospectus may be made to the public in that Member State at any time:

- to any legal entity which is a qualified investor as defined under Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities.

United Kingdom

In relation to the United Kingdom an offer of securities described in this prospectus may not be made to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in the United Kingdom, except that an offer of securities described in this prospectus may be made to the public in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA") (the "UK Prospectus Regulation");
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation); or
- in any other circumstances falling within section 86 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"),

provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to section 85 of the FSMA. For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities.

This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (3) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being

Table of Contents

referred to as "relevant persons") The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is confidential and is being supplied to the reader solely for its information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the securities may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the securities in, from or otherwise involving the United Kingdom

Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (1) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (2) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere, other than with respect to the shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Japan

The shares offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "FIEA") on the ground that the solicitation for subscription of the shares falls within the definition of "solicitation to qualified institutional investors" as defined un Article 2, paragraph 3, item 2 (I) of the FIEA. Such solicitation shall be subject to the condition that qualified institutional investors (as defined under the FIEA, "QIIs") who desire to acquire the securities shall be made aware that they shall not transfer the shares to anyone other than other QIIs, and accordingly the shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except the private placement above pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

Singapore

This prospectus has not been and will not be registered as a prospectus under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") by the Monetary Authority of Singapore, and the offer of the common shares in Singapore is made primarily pursuant to the exemptions under Sections 274 and 275 of the SFA.

Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common shares may not be circulated or distributed, nor may the common shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (1) to an institutional investor (as defined in Section 4A of the SFA) (an "Institutional Investor") pursuant to Section 274 of the SFA, (2) to an accredited investor (as defined in Section 4A of the SFA) (an "Accredited Investor") or other relevant person (as defined in Section 275(2) of the SFA) (a "Relevant Person") and pursuant to Section 275(1) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (3) otherwise pursuant to, and in accordance with, the conditions of any other applicable exemption or provision of the SFA.

It is a condition of the offer that where the common shares are subscribed for or acquired pursuant to an offer made in reliance on Section 275 of the SFA by a Relevant Person which is:

(a) a corporation (which is not an Accredited Investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or

(b) a trust (where the trustee is not an Accredited Investor), the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor,

the securities and securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation and the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the common shares except:

(1) to an Institutional Investor, or an Accredited Investor or other Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

United Arab Emirates

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Table of Contents

LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York and will be passed upon for the underwriters by Sidley Austin LLP, New York, New York. Certain matters with respect to Canadian law, including the validity of the issuance of the common shares offered hereby, will be passed upon for us by Osler, Hoskin & Harcourt LLP and will be passed upon for the underwriters by Davies Ward Phillips & Vineberg LLP.

EXPERTS

The financial statements as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement, of which this prospectus is a part, on Form S-1 with the SEC relating to this offering. This prospectus does not contain all of the information in the registration statement and the exhibits and amendments to the registration statement. References in this prospectus to any of our contracts, agreements or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contracts, agreements or other documents. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at http:\\www.sec.gov. Information contained on or connected to any website referenced in this prospectus is not incorporated into this prospectus or the registration statement of which this prospectus forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

We are also required to file reports and other information with the securities commissions in all provinces and territories in Canada other than Quebec. You are invited to read and copy any reports, statements or other information, other than confidential filings, that we file with the provincial and territorial securities commissions. These filings are also electronically available from the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at *www.sedar.com*, the Canadian equivalent of the SEC's electronic document gathering and retrieval system.

Upon the completion of this offering, Bausch + Lomb will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC. Our Internet address will be operational on or around the date of this offering and will be www.Baush.com. We will post links on our website to the following filings as soon as reasonably practicable after they are electronically filed or furnished to the SEC: annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendment to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. All such filings are available through our website will be free of charge. The information on our Internet website is not incorporated by reference into this prospectus or our other securities filings and is not a part of such filings. We have included our website address only as an inactive textual reference and do not intend it to be an active link to our website. The SEC also maintains an Internet website at *www.sec.gov* that contains reports, proxies and prospectuses, and other information regarding issuers, including us, that file electronically with the SEC.

We intend to furnish holders of our common shares with annual reports containing consolidated financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

After the Separation, Bausch + Lomb shareholders who have questions relating to Bausch + Lomb or Bausch + Lomb's business performance should contact Bausch + Lomb at:

Bausch + Lomb Corporation
520 Applewood Crescent
Vaughan, Ontario, Canada L4K 4B4
Attention: Investors Relations Department

We expect that Bausch + Lomb's investor relations website will be operational on or around the date that our common shares commence trading on the NYSE and the TSX. The Bausch + Lomb website and the information contained therein or connected thereto are not incorporated into this prospectus or the registration statement of which this prospectus forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

We are responsible for the information contained in this prospectus and in any related free-writing prospectus we may prepare or authorize to be delivered to you. We have not, and neither BHC nor the underwriters have, authorized anyone to give you any other information, and we, BHC and the underwriters take no responsibility for any other information that others may give you. We, BHC and the underwriters are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common shares.

Table of Contents

BAUSCH + LOMB

(a business of Bausch Health Companies Inc.)

INDEX TO COMBINED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Bausch Health Companies Inc.

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of Bausch + Lomb (a Business of Bausch Health Companies Inc.) (the "Company") as of December 31, 2021 and 2020, and the related combined statements of operations, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these combined financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the combined financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the combined financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the combined financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Finite-Lived Intangible Assets Impairment Assessment

As described in Notes 2 and 8 to the combined financial statements, the Company's total finite-lived net intangible assets balance was $566 million as of December 31, 2021, which consists of product and corporate brands, product rights/patents, and technology and other assets. Finite-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the asset is tested for recoverability by comparing the carrying value of the asset to the related estimated undiscounted future cash flows expected to be derived from the asset, which include the amount and timing of the projected future cash flows.

Table of Contents

The principal considerations for our determination that performing procedures relating to the finite lived intangible assets impairment assessment is a critical audit matter are the significant judgment by management in the identification of events that suggest an asset group might not be recoverable and in developing the assumptions used in the impairment testing assessment. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's undiscounted future cash flow projections.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the combined financial statements. These procedures included testing the effectiveness of controls relating to management's finite-lived intangible assets impairment assessment, including controls over the development of assumptions used to estimate recoverability and controls over the identification of events that suggest an asset group might not be recoverable. These procedures also included, among others (i) testing management's process for identifying potential impairment events and determining the recoverability of the intangible assets, (ii) evaluating the appropriateness of the undiscounted cash flow model used in the impairment testing assessment, (iii) testing the completeness and accuracy of underlying data used in the model, and (iv) evaluating the reasonableness of the significant assumptions used by management related to the undiscounted future cash flow projections. Evaluating the reasonableness of management's assumptions for undiscounted future cash flow projections involved evaluating whether the assumptions used by management were reasonable considering the current and past performance of the asset group and whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
March 30, 2022

We have served as the Company's auditor since 2020.

BAUSCH + LOMB
COMBINED BALANCE SHEETS
(in millions)

	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 174	$ 238
Restricted cash	3	—
Trade receivables, net (Note 3)	721	645
Inventories, net	572	616
Prepaid expenses and other current assets	165	155
Total current assets	1,635	1,654
Property, plant and equipment, net	1,225	1,164
Intangible assets, net	2,264	2,562
Goodwill	4,586	4,685
Deferred tax assets, net	933	1,036
Other non-current assets	180	165
Total assets	$10,823	$11,266
Liabilities		
Current liabilities:		
Accounts payable (Note 3)	$ 239	$ 178
Accrued and other current liabilities (Notes 3 and 9)	860	731
Total current liabilities	1,099	909
Deferred tax liabilities, net	24	27
Other non-current liabilities	298	342
Total liabilities	1,421	1,278
Commitments and contingencies (Notes 18 and 19)		
Equity		
BHC investment	10,364	10,807
Accumulated other comprehensive loss	(1,035)	(889)
Net BHC investment	9,329	9,918
Noncontrolling interest	73	70
Total equity	9,402	9,988
Total liabilities and equity	$10,823	$11,266

The accompanying notes are an integral part of these combined financial statements.

Table of Contents

BAUSCH + LOMB
COMBINED STATEMENTS OF OPERATIONS
(in millions)

	Years Ended December 31,		
	2021	2020	2019
Revenues			
Product sales	$3,737	$3,381	$3,729
Other revenues	28	31	49
	3,765	3,412	3,778
Expenses			
Cost of goods sold (excluding amortization and impairments of intangible assets) (Note 3)	1,458	1,269	1,301
Cost of other revenues	9	16	26
Selling, general and administrative (Note 3)	1,389	1,253	1,382
Research and development (Note 3)	271	253	258
Amortization of intangible assets	292	323	348
Other expense, net	17	38	67
	3,436	3,152	3,382
Operating income	329	260	396
Interest income	—	3	1
Foreign exchange and other	(11)	27	2
Income before provision for income taxes	318	290	399
Provision for income taxes	(125)	(307)	(96)
Net income (loss)	193	(17)	303
Net income attributable to noncontrolling interest	(11)	(1)	(5)
Net income (loss) attributable to Bausch + Lomb	$ 182	$ (18)	$ 298

The accompanying notes are an integral part of these combined financial statements.

BAUSCH + LOMB
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2021	2020	2019
Net income (loss)	$ 193	$ (17)	$ 303
Other comprehensive income (loss)			
Pension and postretirement benefit plan adjustments:			
Net actuarial gain (loss) arising during the year	24	(9)	(6)
Amortization of prior service credit	(4)	(4)	(4)
Amortization of net loss and settlements	10	1	1
Income tax benefit (expense)	6	3	(2)
Foreign currency impact	2	(4)	1
Net pension and postretirement benefit plan adjustments	38	(13)	(10)
Foreign currency translation adjustment	(182)	173	10
Other comprehensive (loss) income	(144)	160	—
Comprehensive income	49	143	303
Comprehensive income attributable to noncontrolling interest	(13)	(4)	(4)
Comprehensive income attributable to Bausch + Lomb	$ 36	$ 139	$ 299

The accompanying notes are an integral part of these combined financial statements.

Table of Contents

BAUSCH + LOMB
COMBINED STATEMENTS OF EQUITY
(in millions)

	BHC Investment	Accumulated Other Comprehensive Loss	Net BHC Investment	Noncontrolling Interest	Total Equity
Balance, January 1, 2019	**$ 11,244**	**$ (1,047)**	**$ 10,197**	**$ 82**	**$10,279**
Net decrease in BHC investment	(537)	—	(537)	—	(537)
Noncontrolling interest distributions	—	—	—	(13)	(13)
Net income	298	—	298	5	303
Other comprehensive income (loss)	—	1	1	(1)	—
Balance, December 31, 2019	**11,005**	**(1,046)**	**9,959**	**73**	**10,032**
Net decrease in BHC investment	(180)	—	(180)	—	(180)
Noncontrolling interest distributions	—	—	—	(7)	(7)
Net (loss) income	(18)	—	(18)	1	(17)
Other comprehensive income	—	157	157	3	160
Balance, December 31, 2020	**10,807**	**(889)**	**9,918**	**70**	**9,988**
Net decrease in BHC investment	(625)		(625)		(625)
Noncontrolling interest distributions	—	—	—	(10)	(10)
Net income	182	—	182	11	193
Other comprehensive (loss) income	—	(146)	(146)	2	(144)
Balance, December 31, 2021	**$ 10,364**	**$ (1,035)**	**$ 9,329**	**$ 73**	**$ 9,402**

The accompanying notes are an integral part of these combined financial statements.

Table of Contents

BAUSCH + LOMB
COMBINED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2021	2020	2019
Cash Flows From Operating Activities			
Net income (loss)	$ 193	$ (17)	$ 303
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	415	442	469
Asset impairments	12	1	16
Allowances for losses on trade receivables and inventories	37	30	28
Deferred income taxes	116	97	(39)
Additions to accrued legal settlements	—	6	16
Payments of accrued legal settlements	(1)	(12)	(11)
Share-based compensation	62	50	50
Foreign exchange loss (gain)	12	(19)	2
Other	(1)	3	5
Changes in operating assets and liabilities:			
Trade receivables	(107)	77	(21)
Inventories	(15)	(32)	(91)
Prepaid expenses and other current assets	(13)	40	(6)
Accounts payable, accrued and other liabilities	163	(144)	78
Net cash provided by operating activities	873	522	799
Cash Flows From Investing Activities			
Acquisition of intangible assets and other assets	(16)	(6)	—
Purchases of property, plant and equipment	(193)	(253)	(180)
Purchases of marketable securities	(19)	(6)	(16)
Proceeds from sale of marketable securities	14	9	10
Net cash used in investing activities	(214)	(256)	(186)
Cash Flows From Financing Activities			
Payments of noncontrolling interest distributions	(10)	(7)	(13)
Net transfers to BHC (Note 3)	(730)	(225)	(593)
Net borrowings under BHC pooled financing arrangements (Note 3)	28	—	—
Net cash used in financing activities	(712)	(232)	(606)
Effect of exchange rate changes on cash and cash equivalents	(8)	12	(3)
Net (decrease) increase in Cash and cash equivalents and Restricted cash	(61)	46	4
Cash and cash equivalents and Restricted cash, beginning of year	238	192	188
Cash and cash equivalents and Restricted cash, end of year	$ 177	$ 238	$ 192

The accompanying notes are an integral part of these combined financial statements.

BAUSCH + LOMB
NOTES TO COMBINED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Bausch + Lomb (a business of Bausch Health Companies Inc.) ("Bausch + Lomb" or the "Business"), is a leading global eye health company dedicated to protecting and enhancing the gift of sight for millions of people around the world – from the moment of birth through every phase of life. The Business operates in three reportable segments: (i) Vision Care/Consumer Health Care segment which includes both a contact lens business and a consumer eye care business that consists of contact lens care products, over-the-counter ("OTC") eye drops and eye vitamins, (ii) Ophthalmic Pharmaceuticals segment which consists of a broad line of proprietary pharmaceutical products for post-operative treatments and treatments for a number of eye conditions, such as glaucoma, eye inflammation, ocular hypertension, dry eyes and retinal diseases and (iii) Surgical segment which consists of medical device equipment, consumables and instrumental tools and technologies for the treatment of corneal, cataracts, and vitreous and retinal eye conditions, and includes intraocular lenses and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery. See Note 20, "SEGMENT INFORMATION" for additional information regarding these reportable segments.

The Business was acquired in 2013 and remains wholly owned by Bausch Health Companies Inc. ("BHC" or "Parent"). On August 6, 2020, BHC announced its plan to separate Bausch + Lomb into an independent publicly traded company (the "Separation").

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Business has historically operated as part of BHC; therefore, standalone financial statements have not historically been prepared. The accompanying Combined Financial Statements have been prepared from BHC's historical accounting records and policies and are presented on a standalone basis as if the Business' operations had been conducted independently from BHC. These Combined Financial Statements have been prepared by the Business in United States ("U.S.") dollars and in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), applied on a consistent basis. The Combined Financial Statements of the Business include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to the Business. BHC executed agreements to transfer substantially all the entities, assets, liabilities and obligations of the Bausch + Lomb business to Bausch + Lomb Corporation effective January 1, 2022. The Company also executed a related party loan agreement between Bausch Health Companies Inc. and Bausch + Lomb Corporation for $2.2 billion effective January 1, 2022 which will be repaid in connection with the completion of the initial public offering. These transactions will be reflected in the March 31, 2022 financial statements for Bausch + Lomb Corporation.

As the Business has historically operated as part of BHC, the Business relied on BHC's corporate and other support functions. Therefore, certain corporate and shared costs have been allocated to the Business, including expenses related to BHC support functions that are provided on a centralized basis, including expenses for executive oversight, treasury, accounting, legal, human resources, shared services, compliance, procurement, information technology and other corporate functions. The expenses associated with these services generally include all payroll and benefit costs, certain share-based compensation expenses related to BHC's long-term incentive program for BHC employees who are providing corporate services to the Business, certain expenses associated with corporate insurance coverage and medical, pension, postretirement and other health plan costs for employees participating in BHC sponsored plans, as well as overhead costs related to the support functions. These expenses have been allocated to the Business based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method. Allocations are based on direct usage where identifiable as well a number of other utilization measures including headcount and relative revenues.

Management believes these cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, the Business during the periods presented, though the allocations may not be indicative of the actual costs that would have been incurred had the Business operated as a standalone public company. Actual costs that may have been incurred if the Business had been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by the Business employees, and strategic decisions made in areas such as research and development, information technology and infrastructure.

Following the Separation, certain functions that BHC provided to the Business prior to the Separation will either continue to be provided to the Business by BHC under a transition services agreement or will be performed using the Business' own resources or third-party service providers.

The Business' Combined Balance Sheets include all assets and liabilities directly attributable to Bausch + Lomb. To the extent that assets such as facilities are shared between Bausch + Lomb and other BHC owned businesses, the assets and any related lease liabilities are not included in the Business' Combined Balance Sheets, however a charge has been allocated in the Business' Combined Statements of Operations for Bausch + Lomb's utilization of these assets.

The Business' Combined Statements of Operations include all revenues and expenses directly attributable to Bausch + Lomb, including charges and allocations for facilities, functions and services used by Bausch + Lomb. All charges and allocations for facilities, functions and services performed by BHC have been recorded through BHC Investment by Bausch + Lomb to BHC in the period in which the cost was recorded in the Combined Statements of Operations. Current and deferred income taxes in the combined financial statements have been calculated on a separate return basis. However, because the Business filed as part of BHC's tax group in certain jurisdictions, the Business' actual tax balances may differ from those reported. The Business' portion of its domestic and certain income taxes for jurisdictions outside the U.S. are deemed to have been settled in the period the related tax expense was recorded.

BHC utilizes a centralized approach to cash management and the financing of its operations. Cash generated by the Business is routinely transferred into accounts managed by BHC's centralized treasury function and cash disbursements for the Business' operations are funded as needed by BHC. Cash and cash equivalents legally owned by the Business are reflected in the Business' Combined Balance Sheets. All other cash, cash equivalents and short-term investments are generally held centrally through accounts controlled and maintained by BHC and are not specifically identifiable to the Business. Transactions between BHC and Bausch + Lomb are deemed to have been settled immediately through BHC's net investment, other than those transactions which have historically been cash-settled and which are reflected in the Combined Balance Sheets within Trade receivables, net and Accounts payable. The net effect of the deemed settled transactions is reflected in the Combined Statements of Cash Flows as Net transfers to BHC within financing activities and in the Combined Balance Sheets within BHC investment. See "BHC investment" discussed in this Note 2 and Note 3, "RELATED PARTIES" for additional details.

BHC's third-party debt and related interest expense have not been attributed to the Business because the borrowings are not specifically identifiable to the Business. However, in connection with the Separation, the Business expects to incur indebtedness directly attributable to the Business and such indebtedness would cause the Business to record additional interest expense in future periods.

BHC enters into cross currency swaps and foreign currency exchange contracts to hedge certain foreign exchange exposures across BHC's business. These instruments have been attributed to the Business based on a specific identification basis or, when specific identification is not practicable, the related income or expense for these instruments has been allocated based on relative net assets and revenues.

All intercompany accounts and transactions within the Business have been eliminated in the preparation of the Combined Financial Statements. The noncontrolling interest represents the noncontrolling investors' interests in the results of subsidiaries that the Business controls and combines.

Impacts of COVID-19 Pandemic

The unprecedented nature of the COVID-19 pandemic has, and continues to, adversely impact the global economy. The COVID-19 pandemic and the reactions of governments, private sector participants and the public in an effort to contain the spread of the COVID 19 virus and/or address its impacts have intensified and have had significant direct and indirect effects on businesses and commerce. This includes, but is not limited to, disruption to supply chains, employee base and transactional activity, facilities closures and production suspensions.

The extent to which these events may continue to impact the Business' operations, financial condition, cash flows and results of operations, in particular, will depend on future developments which are highly uncertain and many of which are outside the Business' control. Such developments include the availability and effectiveness of vaccines for the COVID-19 virus, the ultimate geographic spread and duration of the pandemic, the extent and duration of a resurgence of the COVID-19 virus, COVID-19 vaccine immunization rates and variant strains thereof, such as the delta and omicron variants, new information concerning the severity of the COVID-19 virus, the effectiveness and intensity of measures to contain the COVID-19 virus and the economic impact of the pandemic and the reactions to it. Such developments, among others, depending on their nature, duration and intensity, could have a significant adverse effect on Bausch + Lomb's business, financial condition, cash flows and results of operations.

To date, the Business has been able to continue its operations with limited disruptions in supply and manufacturing. Although, it is difficult to predict the broad macroeconomic effects that the COVID-19 pandemic will have on industries or individual companies, the Business has assessed the possible effects and outcomes of the pandemic on, among other things, its supply chain, customers and distributors, discounts and rebates, employee base, product sustainability, research and development efforts, product pipeline and consumer demand and currently believes that its estimates are reasonable.

Use of Estimates

In preparing the Business' Combined Financial Statements, management is required to make estimates and assumptions. This includes estimates and assumptions regarding the nature, timing and extent of the impacts that the COVID-19 pandemic will have on its operations and cash flows. The estimates and assumptions used by the Business affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made by management include: provisions for product returns, rebates, chargebacks, discounts and allowances and distribution fees paid to certain wholesalers; useful lives of finite-lived intangible assets and property, plant and equipment; expected future cash flows used in evaluating intangible assets for impairment, reporting unit fair values for testing goodwill for impairment; acquisition-related contingent consideration liabilities; provisions for loss contingencies; provisions for income taxes, uncertain tax positions and realizability of deferred tax assets; the fair value of foreign currency exchange contracts; and the related allocations described in the Business' basis of presentation

All allocations and estimates in these Combined Financial Statements are based on assumptions that management believes are reasonable. On an ongoing basis, management reviews its allocations and estimates to ensure that these allocations and estimates appropriately reflect changes in the Business and new information as it becomes available. However, the Combined Financial Statements included herein may not be indicative of the financial position, results of operations and cash flows of the Business in the future, or if the Business had been a separate, standalone entity during the years presented. If historical experience and other factors used by management to make these estimates do not reasonably reflect future activity, the Business' Combined Financial Statements could be materially impacted.

Changes in Reportable Segments

Commencing in the second quarter of 2021, the Business began operating in the following reportable segments: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical. Prior to the second quarter of 2021, the Business operated in one reportable segment. Prior period presentations have been recast to conform to the current segment reporting structure. See Note 20, "SEGMENT INFORMATION" for additional information.

Fair Value of Financial Instruments

The estimated fair values of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities approximate their carrying values due to their short maturity periods. The fair value of acquisition-related contingent consideration is based on estimated discounted future cash flows analyses and assessment of the probability of occurrence of potential future events.

Fair Value of Derivative Instruments

The Business uses foreign currency exchange contracts to economically hedge the foreign exchange exposure on certain of the Business intercompany balances. The Business' foreign currency exchange contracts are remeasured at each reporting date to reflect changes in their fair values determined using forward rates, which are observable market inputs, multiplied by the notional amount. These contracts have not been designated as an accounting hedge, and therefore the net change in their fair value is reported as a gain or loss in the Combined Statements of Operations as part of Foreign exchange and other. The Business does not have any derivative instruments that are designated and qualified as hedging instruments.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank accounts and highly liquid investments with maturities of three months or less when purchased, and that is legally owned by the Business.

Concentrations of Credit Risk

Financial instruments that potentially subject the Business to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and trade receivables.

Cash deposited at banks may exceed the amount of insurance provided on such deposits. Generally, these cash deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Business seeks to mitigate such risks by spreading its risk across multiple counterparties and monitoring the risk profiles of these counterparties.

Outside of the U.S., concentrations of credit risk with respect to trade receivables, which are typically unsecured, are limited due to the number of customers using the Business' products, as well as their dispersion across many different geographic regions. The Business performs periodic credit evaluations of customers and does not require collateral. The Business monitors economic conditions, including volatility associated with international economies, and related impacts on the relevant financial markets and its business, especially in light of sovereign credit issues. The credit and economic conditions within Argentina, Brazil, Greece, among other members of the European Union, Serbia, South Africa, Turkey, Ukraine, and Venezuela have been weak in recent years. These conditions have increased, and may continue to increase, the average length of time that it takes to collect on the Business' trade receivables outstanding in these countries.

In February 2022, Russia invaded Ukraine. As military activity proceeds and sanctions, export controls and other measures are imposed against Russia, Belarus and specific areas of Ukraine, the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges. These matters and events have had no impact on the timing and extent of the Business's revenues and collection of accounts receivable through December 31, 2021. However, as the war is expected to have a broad impact on macroeconomic conditions, the war may affect the Business's ability to conduct business as usual and could, among other things effect the timing and recognition of revenues and collections of receivables in the future. Management continues to monitor the impacts of the Russian-Ukraine war on macroeconomic conditions and continually assess the effect these matters may have on its businesses. The Business's revenues attributable to Russia for the years 2021, 2020 and 2019 were \$116 million, \$102 million and \$138 million, respectively. The Business's revenues attributable to Ukraine for the years 2021, 2020 and 2019 were

Table of Contents

$12 million, $14 million and $14 million, respectively. The Business's revenues attributable to Belarus for the years 2021, 2020 and 2019 were $7 million, $8 million and $9 million, respectively. The Business' net trade receivable balances from Russia and Ukraine as of December 31, 2021 amounted to $74 million and $8 million, respectively. Net trade receivables from Belarus were not material as of December 31, 2021.

As of December 31, 2021, the Business' three largest U.S. wholesaler customers accounted for approximately 10% of net trade receivables. In addition, as of December 31, 2021 and 2020, the Business' net trade receivable balance from Argentina, Brazil, Greece, Serbia, South Africa, Turkey, Ukraine, and Venezuela amounted to $45 million and $38 million, respectively, the majority of which is current or less than 90 days past due. The portion of the net trade receivable from these countries that is past due more than 90 days amounted to $2 million, as of December 31, 2021.

Allowance for Credit Losses

An allowance is maintained for potential credit losses. The Business estimates the current expected credit loss on its receivables based on various factors, including historical credit loss experience, customer credit worthiness, value of collaterals (if any), and any relevant current and reasonably supportable future economic factors. Additionally, the Business generally estimates the expected credit loss on a pool basis when customers are deemed to have similar risk characteristics. Trade receivable balances are written off against the allowance when it is deemed probable that the trade receivable will not be collected. Trade receivables, net are stated net of certain sales provisions and the allowance for credit losses.

The activity in the allowance for credit losses for trade receivables for the years 2021, 2020 and 2019 is as follows:

(in millions)	2021	2020	2019
Balance, beginning of period	$17	$ 20	$19
Provision	2	—	8
Write-offs	(2)	(2)	(6)
Foreign exchange and other	(1)	(1)	(1)
Balance, end of period	$16	$ 17	$20

Inventories

Inventories comprise raw materials, work in process and finished goods, which are valued at the lower of cost or net realizable value, on a first-in, first-out basis. The cost value for work in process and finished goods inventories includes materials, direct labor and an allocation of overheads.

The Business evaluates the carrying value of inventories on a regular basis, taking into account such factors as historical and anticipated future sales compared with quantities on hand, the price the Business expects to obtain for products in their respective markets compared with historical cost and the remaining shelf life of goods on hand.

Property, Plant and Equipment

Property, plant and equipment are reported at cost, less accumulated depreciation. Costs incurred on assets under construction are capitalized as construction in progress. Depreciation is calculated using the straight-line method, commencing when the assets become available for productive use, based on the following estimated useful lives:

Land improvements	15 - 30 years
Buildings and improvements	Up to 40 years
Machinery and equipment	Up to 20 years
Other equipment	3 - 10 years
Leasehold improvements	Lesser of term of lease or 10 years

Table of Contents

Intangible Assets

A substantial portion of the Intangible assets related to the Business are specific to the 2013 acquisition of the Business by BHC and have been included based on BHC's historical cost. Intangible assets are reported at cost, less accumulated amortization and impairments. Intangible assets with finite lives are amortized over their estimated useful lives. Amortization is calculated primarily using the straight-line method based on the following estimated useful lives:

Product brands	1 - 15 years
Corporate brands	10 - 17 years
Product rights	8 - 15 years
Partner relationships	9 years
Out-licensed technology and other	9 years

Acquired In-Process Research and Development

The fair value of in-process research and development ("IPR&D") acquired through a business combination is capitalized as an indefinite-lived intangible asset until the completion or abandonment of the related research and development activities. When the related research and development is completed, the asset will be assigned a useful life and amortized.

The fair value of an acquired IPR&D intangible asset is typically determined using an income approach. This approach starts with a forecast of the net cash flows expected to be generated by the asset over its estimated useful life. The net cash flows reflect the asset's stage of completion, the probability of technical success, the projected costs to complete, expected market competition and an assessment of the asset's life-cycle. The net cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the expected cash flow streams.

Impairment of Long-Lived Assets

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the asset group is tested for recoverability by comparing the carrying value of the asset group to the related estimated undiscounted future cash flows expected to be derived from the asset group, which include the amount and timing of the projected future cash flows. If the expected undiscounted cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value, based on the related estimated discounted future cash flows.

Indefinite-lived intangible assets, which includes acquired IPR&D and the corporate trademark acquired in 2013 as part of the acquisition of the Business (the "B&L Trademark"), are tested for impairment annually or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based on a comparison of the fair value of the asset to its carrying value.

Goodwill

Goodwill is recorded with the acquisition of a business and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. A substantial portion of goodwill allocated to the Business is specific to the 2013 acquisition of the Business by BHC and has been allocated based on BHC's historical cost. Other goodwill amounts relate to other acquisitions by the Business. If a historical BHC acquisition contributed to both the Business and other BHC businesses, goodwill from the acquisition, based on BHC's historical cost, was allocated to the Business based on a relative fair value basis. Goodwill is not amortized but is tested for impairment at least annually as of October 1st at the reporting unit level Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value. A reporting unit is the same as, or one level below, an operating segment. An entity is permitted to first assess qualitatively whether it is necessary to perform a quantitative impairment test for any of its reporting units. The quantitative impairment test is required only when the Business concludes that it is more likely than not that a reporting unit's fair value is less than its carrying amount. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Business considers the totality of all relevant events or circumstances that affect the fair value or carrying amount of a reporting unit.

An interim goodwill impairment test in advance of the annual impairment assessment may be required if events occur that indicate an impairment might be present. For example, changes in reportable segments, unexpected adverse business conditions, economic factors and unanticipated competitive activities may signal that an interim impairment test is needed.

Foreign Currency Translation

The assets and liabilities of the Business' foreign operations having a functional currency other than the U.S. dollar are translated into U.S. dollars at the exchange rate prevailing at the balance sheet date, and at the average exchange rate for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of accumulated other comprehensive loss in shareholders' equity.

Foreign currency exchange gains and losses on transactions occurring in a currency other than an operation's functional currency are recognized as a component of Foreign exchange and other in the Combined Statements of Operations. Foreign currency translation recorded in these combined financial statements, is based on currency movements specific to the Business' combined financial statements during the periods presented.

Revenue Recognition

The Business' revenues are primarily generated from product sales in the therapeutic areas of eye health that consist of: (i) branded prescription eye-medications and pharmaceuticals, (ii) generic and branded generic prescription eye medications and pharmaceuticals, (iii) OTC vitamin and supplement products and (iv) medical devices (contact lenses, intraocular lenses and ophthalmic surgical equipment). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue. Contract service revenue is derived primarily from contract manufacturing for third parties and is not material. See Note 20, "SEGMENT INFORMATION" for the disaggregation of revenues which depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by the economic factors of each category of customer contracts.

The Business recognizes revenue when the customer obtains control of promised goods or services and in an amount that reflects the consideration to which the Business expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, the Business applies the five step revenue model to contracts within its scope (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Product Sales

A contract with Business' customers exists for each product sale. Where a contract with a customer contains more than one performance obligation, the Business allocates the transaction price to each distinct performance obligation based on its relative standalone selling price. The transaction price is adjusted for

Table of Contents

variable consideration which is discussed further below. The Business recognizes revenue for product sales at a point in time, when the customer obtains control of the products in accordance with contracted delivery terms, which is generally upon shipment or customer receipt. Contracted delivery terms will vary by customer and geography. In the United States control is generally transferred to the customer upon receipt.

Revenue from sales of surgical equipment and related software is generally recognized upon delivery and installation of the equipment. Intraocular lenses and delivery systems, disposable surgical packs and other surgical instruments are distinct from the surgical equipment and may be sold together with the surgical equipment in a single contract or on a standalone basis. Revenue from the sale of delivery systems, disposable surgical packs and other surgical instruments is recognized in accordance with the contracted delivery terms, generally upon shipment or customer receipt. Intraocular lenses are sold primarily on a consignment basis and revenue is recognized upon notification of use, which typically occurs when a replacement order is placed.

When a sale transaction in the Surgical segment contains multiple performance obligations, the transaction price is allocated to each performance obligation based on the relative standalone sales price and revenue is recognized upon satisfaction of each performance obligation.

Product Sales Provisions

As is customary in the eye health industry, gross product sales of certain product categories are subject to a variety of deductions in arriving at reported net product sales. The transaction price for such product categories is typically adjusted for variable consideration, which may be in the form of cash discounts, allowances, returns, rebates, chargebacks and distribution fees paid to customers. Provisions for variable consideration are established to reflect the Business' best estimates of the amount of consideration to which it is entitled based on the terms of the contract The amount of variable consideration included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in the future period.

Provisions for these deductions are recorded concurrently with the recognition of gross product sales revenue and include cash discounts and allowances, chargebacks, and distribution fees, which are paid to direct customers, as well as rebates and returns, which can be paid to direct and indirect customers. Returns provision balances and volume discounts to direct customers are included in Accrued and other current liabilities. All other provisions related to direct customers are included in Trade receivables, net, while provision balances related to indirect customers are included in Accrued and other current liabilities.

The following table presents the activity and ending balances of the Business' variable consideration provisions for years 2021 and 2020:

(in millions)	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balance, January 1, 2020	136	$ 73	$ 162	$ 26	$ 22	$ 419
Current period provision	323	77	445	301	15	1,161
Payments and credits	(312)	(73)	(458)	(297)	(13)	(1,153)
Reserve balance, December 31, 2020	147	77	149	30	24	427
Current period provision	330	68	525	336	17	1,276
Payments and credits	(310)	(85)	(479)	(337)	(24)	(1,235)
Reserve balance, December 31, 2021	$ 167	$ 60	$ 195	$ 29	$ 17	$ 468

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately $31 million and $27 million as of December 31, 2021 and 2020, respectively, which are reflected as a reduction of Trade accounts receivable, net in the Combined Balance Sheets.

The Business continually monitors its variable consideration provisions and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. The Business is required to make subjective judgments based primarily on its evaluation of current market conditions and trade inventory levels related to the Business products. These judgments include the potential impact of the COVID-19 pandemic on, among other things, unemployment and related changes in customer health insurance levels, customer behaviors during the COVID-19 pandemic and government stimulus bills that focus on ensuring availability and access to lifesaving drugs during a public health crisis. This evaluation may result in an increase or decrease in the experience rate that is applied to current and future sales, or require an adjustment related to past sales, or both. If the trend in actual amounts of variable consideration varies from the Business' prior estimates, the Business adjusts these estimates, when such trend is believed to be sustainable. At that time, the Business would record the necessary adjustments which would affect net product revenue and earnings reported in the current period The Business applies this method consistently for contracts with similar characteristics. The following describes the major sources of variable consideration in the Business' customer arrangements and the methodology, estimates and judgments applied to estimate each type of variable consideration.

Cash Discounts and Allowances

Cash discounts are offered for prompt payment and allowances for volume purchases. Provisions for cash discounts and allowances are estimated at the time of sale and recorded as direct reductions to trade receivables and revenue. Management estimates the provisions for cash discounts and allowances based on contractual sales terms with customers, an analysis of unpaid invoices and historical payment experience. Estimated cash discounts and allowances have historically been predictable and less subjective, due to the limited number of assumptions involved, the consistency of historical experience and the fact that these amounts are generally settled within one month of incurring the liability.

Returns

Consistent with industry practice, customers are generally allowed to return certain products, primarily of our consumer and ophthalmic businesses, within a specified period of time before and after the product's expiration date. The returns provision is estimated utilizing historical sales and return rates over the period during which customers have a right of return, taking into account available information on competitive products and contract changes. The information utilized to estimate the returns provision includes: (i) historical return and exchange levels, (ii) external data with respect to inventory levels in the wholesale distribution channel, (iii) external data with respect to prescription demand for products, (iv) remaining shelf lives of products at the date of sale and (v) estimated returns liability to be processed by year of sale based on an analysis of lot information related to actual historical returns.

In determining the estimate for returns, management is required to make certain assumptions regarding the timing of the introduction of new products and the potential of these products to capture market share. In addition, certain assumptions with respect to the extent and pattern of decline associated with generic competition are necessary. These assumptions are formulated using market data for similar products, past experience and other available information These assumptions are continually reassessed, and changes to the estimates and assumptions are made as new information becomes available.

Rebates and Chargebacks

Certain product sales, primarily proprietary and generic pharmaceutical products within the Ophthalmic Pharmaceuticals segment, made under governmental and managed-care pricing programs in the U.S. are subject to rebates. The Business participates in state government-managed Medicaid programs, as well as certain other qualifying federal and state government programs whereby rebates are provided to participating government entities. Medicaid rebates are generally billed 45 days to 270 days after the quarter in which the product is dispensed to the Medicaid participant. As a result, the Medicaid rebate reserve includes an estimate of outstanding claims for end-customer sales that occurred, but for which the related claim has not been billed and/or paid, and an estimate for future claims that will be made when inventory in the distribution channel is sold through to plan participants. The calculation of the Medicaid rebate reserve also requires other estimates, such as estimates of sales mix, to determine which sales are subject to rebates and the amount of such rebates. Quarterly, the Medicaid rebate reserve is adjusted based on actual claims paid. Due to the delay in billing, adjustments to actual claims paid may incorporate revisions of that reserve for several periods.

Managed Care rebates relate to contractual agreements to sell products to managed care organizations and pharmacy benefit managers at contractual rebate percentages in exchange for volume and/or market share.

Chargebacks relate to contractual agreements to sell certain products, primarily proprietary and generic pharmaceutical products within the Ophthalmic Pharmaceuticals segment to government agencies, group purchasing organizations and other indirect customers at contractual prices that are lower than the list prices the Business charges wholesalers. When these group purchasing organizations or other indirect customers purchase products through wholesalers at these reduced prices, the wholesaler charges the Business for the difference between the prices they paid the Business and the prices at which they sold the products to the indirect customers.

In estimating provisions for rebates and chargebacks, management considers relevant statutes with respect to governmental pricing programs and contractual sales terms with managed-care providers and group purchasing organizations. Management estimates the amount of product sales subject to these programs based on historical utilization levels. Changes in the level of utilization of products through private or public benefit plans and group purchasing organizations will affect the amount of rebates and chargebacks that the Business is obligated to pay. Management continually updates these factors based on new contractual or statutory requirements, and any significant changes in sales trends that may impact the percentage of products subject to rebates or chargebacks.

The amount of Managed Care, Medicaid and other rebates and chargebacks as it relates to proprietary and generic pharmaceutical products within the Ophthalmic Pharmaceuticals segment, has become more significant as a result of a combination of deeper discounts implemented in each of the last three years and increased Medicaid utilization due to expansion of government funding for these programs. Management's estimate for rebates and chargebacks may be impacted by a number of factors, but the principal factor relates to the level of inventory in the distribution channel.

Rebate provisions are based on factors such as timing and terms of plans under contract, time to process rebates, product pricing, sales volumes, amount of inventory in the distribution channel and prescription trends. Adjustments to actual for the years 2021 and 2020 were not material to the Business' revenues or earnings.

Patient Co-Pay Assistance programs, Consumer Rebates and Loyalty Programs are rebates offered on a limited number of the Business' products. Patient Co-Pay Assistance Programs are patient discount programs offered in the form of coupon cards or point of sale discounts, with which patients receive certain discounts off their prescription at participating pharmacies, as defined by the specific product program. An accrual for these programs is established, equal to management's estimate of the discount, rebate and loyalty incentives attributable to a sale. That estimate is based on historical experience and other relevant factors. The accrual is adjusted throughout each quarter based on actual experience and changes in other factors, if any.

Distribution Fees

The Business sells products to certain wholesalers, and large pharmacy chains such as CVS and Walmart, usually under Distribution Services Agreements ("DSAs"). Under the DSAs, the wholesalers agree to provide services, and the Business pays the contracted DSA distribution service fees for these services based on product volumes Additionally, price appreciation credits are generated when the Business increases a product's wholesaler acquisition cost ("WAC") under contracts with certain wholesalers. Under such contracts, the Business is entitled to credits from such wholesalers for the impact of that WAC increase on inventory currently on hand at the wholesalers. Such credits are offset against the total distribution service fees paid to each such wholesaler. The variable consideration associated with price appreciation credits is reflected in the transaction price of products sold when it is determined to be probable that a significant reversal will not occur.

Contract Assets and Contract Liabilities

There are no contract assets for any period presented Contract liabilities consist of deferred revenue, the balance of which is not material to any period presented.

Sales Commissions

Sales commissions are generally attributed to periods shorter than one year and therefore are expensed when incurred. Sales commissions are included in selling, general and administrative expenses.

Financing Component

The Business has elected not to adjust consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Business' global payment terms are generally between thirty to ninety days.

Leases

The Business leases certain facilities, vehicles and equipment principally under multi-year agreements generally having a lease term of one to twenty years, some of which include termination options and options to extend the lease term from one to five years or on a month-to-month basis. The Business includes options that are reasonably certain to be exercised as part of the lease term. The Business may negotiate termination clauses in anticipation of changes in market conditions but generally, these termination options are not exercised. Certain lease agreements also include variable payments that are dependent on usage or may vary month-to-month such as insurance, taxes and maintenance costs. None of the Business' lease agreements contain material residual value guarantees or material restrictive covenants.

The Business is required to record a right-of-use asset and corresponding lease liability, equal to the present value of the lease payments at the commencement date of each lease. For all asset classes, in determining future lease payments, the Business has elected to aggregate lease components, such as payments for rent, taxes and insurance costs with non lease components such as maintenance costs, and account for these payments as a single lease component. In limited circumstances, when the information necessary to determine the rate implicit in a lease is available, the present value of the lease payments is determined using the rate implicit in that lease. If the information necessary to determine the rate implicit in a lease is not available, the Business uses its incremental borrowing rate at the commencement of the lease, which represents the rate of interest that the Business would incur to borrow on a collateralized basis over a similar term.

All leases must be classified as either an operating lease or finance lease. The classification is determined based on whether substantive control has been transferred to the lessee. The classification governs the pattern of lease expense recognition. For leases classified as operating leases, total lease expense over the term of the lease is equal to the undiscounted payments due in accordance with the lease arrangement. Fixed lease expense is recognized periodically on a straight-line basis over the term of each lease and includes:

(i) imputed interest during the period on the lease liability determined using the effective interest rate method plus (ii) amortization of the right-of-use asset for that period. Amortization of the right-of-use asset during the period is calculated as the difference between the straight-line expense and the imputed interest on the lease liability for that period. Variable lease expense is recognized when the achievement of the specific target is considered probable.

Research and Development Expenses

Costs related to internal research and development programs, including costs associated with the development of acquired IPR&D, are expensed as goods are delivered or services are performed. Under certain research and development arrangements with third parties, the Business may be required to make payments that are contingent on the achievement of specific developmental, regulatory and/or commercial milestones Milestone payments made to third parties before a product receives regulatory approval, but after the milestone is determined to be probable, are expensed and included in Research and development expenses**.** Milestone payments made to third parties after regulatory approval is received are capitalized and amortized over the estimated useful life of the approved product.

Amounts due from third parties as reimbursement of development activities conducted under certain research and development arrangements are recognized as a reduction of Research and development expenses.

Legal Costs

Legal fees and other costs related to litigation and other legal proceedings or services are expensed as incurred and are included in Selling, general and administrative expenses. Certain legal costs associated with acquisitions are included in Acquisition-related costs and certain legal costs associated with divestitures, legal settlements and other business development activities are included in Litigation and other matters or Gain on investments, net within Other expense, net, as appropriate. Legal costs expensed are reported net of expected insurance recoveries. A claim for insurance recovery is recognized when realization becomes probable.

Advertising Costs

Advertising costs comprise product samples, print media, promotional materials and television advertising and are expensed on the first use of the advertisement. Included in Selling, general and administrative expenses are advertising costs of $335 million, $285 million and $346 million, for 2021, 2020 and 2019, respectively.

Share-Based Compensation

The Business participates in BHC's long-term incentive program. The share-based awards granted under this long-term incentive program consist of time-based stock options, time-based restricted share units ("RSUs") and performance-based RSUs. BHC's performance-based RSUs are comprised of: (i) awards that vest upon achievement of certain share price appreciation conditions that are based on BHC total shareholder return ("TSR") and (ii) awards that vest upon attainment of certain performance targets that are based on BHC's return on tangible capital ("ROTC"). Stock-based compensation expense reflected in the accompanying Combined Financial Statements relates to stock plan awards of BHC awarded to Bausch + Lomb employees and not stock awards of Bausch + Lomb as Bausch + Lomb did not grant stock awards for any period presented. In addition to share-based compensation expense attributable to employees that are specific to the Bausch + Lomb business, share-based compensation expense also includes allocated charges from BHC, related to BHC employees providing corporate services to Bausch + Lomb. Accordingly, the amounts presented are not necessarily indicative of future awards and do not necessarily reflect the results that Bausch + Lomb would have experienced as an independent company for the periods presented.

The Business recognizes all share based payments to employees of the Business, including grants of employee stock options and RSUs, at estimated fair value. The Business amortizes the fair value of stock option or RSU grants on a straight-line basis over the requisite service period of the individual stock option or RSU grant, which generally equals the vesting period. Stock option and RSU forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Share-based compensation is recorded in Research and development expenses and Selling, general and administrative expenses, as appropriate.

Acquisition-Related Contingent Consideration

Acquisition-related contingent consideration, which primarily consists of potential milestone payments and royalty obligations, is recorded in the Combined Balance Sheets at its acquisition date estimated fair value, in accordance with the acquisition method of accounting The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the Combined Statements of Operations. The fair value measurement of contingent consideration obligations arising from business combinations is determined via a probability-weighted discounted cash flow analysis, using unobservable (Level 3) inputs. These inputs may include: (i) the estimated amount and timing of projected cash flows, (ii) the probability of the achievement of the factor(s) on which the contingency is based and (iii) the risk-adjusted discount rate used to present value the probability-weighted cash flows. Significant increases or decreases in any of those inputs in isolation could result in a significantly higher or lower fair value measurement.

Income Taxes

Income tax expense and deferred tax balances in the Combined Financial Statements have been calculated on a separate tax return basis. The Business' operations are included in the tax returns of certain respective BHC entities of which the Business is a part. In the future, as a standalone entity, the Business will file tax returns on its own behalf, and its deferred taxes and effective income tax rate may differ from those in the historical periods.

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the temporary differences between the financial statement and income tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. A valuation allowance is provided for the portion of deferred tax assets that is more likely than not to remain unrealized. Deferred tax assets and liabilities are measured using enacted tax rates and laws. Deferred tax assets for outside basis differences in investments in subsidiaries are only recognized if the difference will be realized in the foreseeable future.

The tax benefit from an uncertain tax position is recognized only if it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority, based on the technical merits of the position. The tax benefits recognized from such position are measured based on the amount for which there is a greater than 50% likelihood of being realized upon settlement. Liabilities associated with uncertain tax positions are classified as long-term unless expected to be paid within one year. Interest and penalties related to uncertain tax positions, if any, are recorded in the provision for income taxes and classified with the related liability on the Combined balance sheets. Income taxes payable are accounted for within BHC investment on the Combined Balance Sheets.

Comprehensive Income

Comprehensive income comprises Net (loss) income and Other comprehensive (loss) income. Other comprehensive (loss) income includes items such as foreign currency translation adjustments and certain pension and other postretirement benefit plan adjustments. Accumulated other comprehensive loss is recorded as a component of equity.

Contingencies

In the normal course of business, the Business is subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities, and tax matters. The Combined Financial Statements include litigation and other legal proceeding contingencies to the extent the matter is directly attributable to the Business. Accruals for loss contingencies are recorded when the Business determines that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. If the estimate of the amount of the loss is a range and some amount within the range appears to be a better estimate than any other amount within the range, that amount is accrued as a liability. If no amount within the range is a better estimate than any other amount, the minimum amount of the range is accrued as a liability. These accruals are adjusted periodically as assessments change or additional information becomes available.

If no accrual is made for a loss contingency because the amount of loss cannot be reasonably estimated, the Business will disclose contingent liabilities when there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

Employee Benefit Plans

The Business sponsors various retirement and pension plans, including defined benefit pension plans, defined contribution plans and a participatory defined benefit postretirement plan. The determination of defined benefit pension and postretirement plan obligations and their associated expenses requires the use of actuarial valuations to estimate the benefits employees earn while working, as well as the present value of those benefits Net actuarial gains and losses that exceed 10% of the greater of the plan's projected benefit obligations or the market related value of assets are amortized to earnings over the shorter of the estimated average future service period of the plan participants (or the estimated average future lifetime of the plan participants if the majority of plan participants are inactive) or the period until any anticipated final plan settlements.

In addition, BHC offers certain of its defined benefit plans, a participatory defined benefit postretirement medical and life insurance plans and defined contribution plan to be shared amongst its businesses, including the Business, and the participation of its employees and retirees in these plans is reflected as though the Business participated in a multiemployer plan with BHC. A proportionate share of the cost associated with the multiemployer plan is reflected in the Combined Financial Statements, while any assets and liabilities associated with the multiemployer plan are retained by BHC and recorded on BHC's balance sheet.

BHC Investment

BHC's cumulative interest in the assets and liabilities of the Business, inclusive of operating results, is presented as BHC investment on the Combined Balance Sheets. The Combined Statements of Equity include net cash transfers and other transfers between BHC and the Business as well as related party receivables and payables between the Business and other BHC affiliates that were settled on a current basis. BHC performs cash management and other treasury-related functions on a centralized basis for certain of its legal entities and, therefore, substantially all of the net cash generated by the Business is transferred to BHC through the intercompany accounts.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued a new standard revising the accounting for leases to increase transparency and comparability among organizations that lease buildings, equipment and other assets by requiring the recognition of lease assets and lease liabilities on the balance sheet. Under the new standard, all leases are classified as either a finance lease or an operating lease. The classification is determined based on whether substantive control has been transferred to the lessee and its determination will govern the pattern of lease cost recognition. Finance leases are accounted for in substantially the same manner as capital leases under the former U.S. GAAP standard. Operating leases are accounted for in the statements of operations and statements of cash flows in a manner substantially consistent with operating leases under the former U.S. GAAP standard. However, as it relates to the balance sheet, operating lessees are, with limited exception, required to record a right-of-use asset and a corresponding lease liability, equal to the present value of the lease payments for each operating lease. Lessees are not required to recognize a right-of-use asset or lease liability for short-term leases, but instead recognizes lease payments as an expense on a straight-line basis over the lease term. The standard also requires lessees and lessors to provide additional qualitative and quantitative disclosures to help financial statement users assess the amounts, timing and uncertainty of cash flows arising from leases.

The Business adopted the new standard effective January 1, 2019, using the modified retrospective approach. Upon adoption, the Business elected the available practical expedients, including: (i) the package of practical expedients as defined in the accounting guidance, which among other things, allowed the carry forward of historical lease classifications, (ii) the election to use hindsight in determining the lease terms for all leases, (iii) the transition method, which does not require the restatement of prior periods, (iv) the election to aggregate lease components with non-lease components and account for these payments as a single lease component and (v) the short-term lease exemption, which does not require recognition on the balance sheet for leases with an initial term of 12 months or less. The Business has updated its systems, processes and controls to track, record and account for its lease portfolio, including implementation of a third-party software tool to assist in complying with the new standard. Upon adoption of the new standard, the Business recognized a right-of-use asset and a corresponding lease liability of $96 million. The adoption of the standard did not have a material impact on the Combined Statements of Operations, Comprehensive Loss, Equity and Cash Flows for any of the periods presented. See Note 11, "LEASES" for additional details and application of this standard.

In August 2018, the FASB issued guidance aligning the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance is effective for annual periods beginning after December 15, 2019, and interim periods within those fiscal years with early adoption permitted. The Business has early-adopted this guidance prospectively for all implementation costs incurred after January 1, 2019. Implementation costs incurred in the Business' hosting arrangements which were capitalized were not material.

In June 2016, the FASB issued guidance on the impairment of financial instruments requiring an impairment model based on expected losses rather than incurred losses. Under this guidance, an entity recognizes as an allowance its estimate of expected credit losses. The guidance was effective for the Business beginning January 1, 2020 and did not have a material effect on the Business' Combined Financial Statements.

In August 2018, the FASB issued guidance modifying the disclosure requirements for fair value measurement. The guidance was effective for the Business beginning January 1, 2020. The application of this guidance did not have a material effect on the Business' disclosures.

In December 2019, the FASB issued guidance that simplifies the accounting for income taxes by eliminating certain exceptions to the guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance is effective for annual periods beginning after December 15, 2020. The application of this guidance did not have a material effect on the Business' financial position, results of operations and cash flows.

Table of Contents

In March 2020, the FASB issued guidance providing optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or a reference rate that is expected to be discontinued as a result of reference rate reform. Optional expedients are provided for contract modification accounting within the areas of receivables, debt, leases, derivatives and hedging. The optional amendments are effective for all entities as of March 12, 2020, through December 31, 2022. During 2020 and 2021, the Business has not entered into any contract modifications in which the optional expedients were applied. However, if prior to December 31, 2022 the Business enters into a contract modification in which the optional expedients are applied, the Business will evaluate the impact of adoption of this guidance on its financial position, results of operations and cash flows.

In August 2018, the FASB issued guidance modifying the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The guidance was effective for annual periods ending after December 15, 2020. The application of this guidance did not have a material effect on the Business' disclosures.

3. RELATED PARTIES

Historically, the Business has been managed and operated in the ordinary course of business with other affiliates of BHC. Accordingly, certain corporate and shared costs have been allocated to the Business and reflected as expenses in the Combined Financial Statements. There have been no sales made to related parties for all periods presented.

Allocated Centralized Costs

The Combined Financial Statements have been prepared on a standalone basis and are derived from the consolidated financial statements and accounting records of BHC. BHC incurs significant corporate costs for services provided to the Business as well as to other BHC businesses. The allocated corporate and shared costs to the Business for the years 2021, 2020 and 2019 were $390 million, $354 million and $363 million, respectively, and are included in Cost of goods sold (excluding amortization and impairments of intangible assets), Selling, general and administrative and Research and development in the Combined Statements of Operations. All such amounts have been deemed to have been incurred and settled by the Business in the period in which the costs were recorded and are included in the BHC investment. See Note 2, "SIGNIFICANT ACCOUNTING POLICIES" for additional information on the allocation of functional service expenses and general corporate expenses.

In the opinion of management of BHC and the Business, the expense and cost allocations have been determined on a basis considered to be a reasonable reflection of the utilization of services provided or the benefit received by the Business during 2021, 2020 and 2019. The amounts that would have been, or will be incurred, on a standalone basis could differ from the amounts allocated due to economies of scale, difference in management judgment, a requirement for more or fewer employees or other factors. In addition, the future results of operations, financial position and cash flows could differ materially from the historical results presented herein.

Accounts Receivable and Payable

Certain related party transactions between the Business and BHC have been included within BHC investment in the periods presented when the related party transactions are not settled in cash.

Certain transactions between the Business and BHC and affiliate businesses are cash-settled on a current basis and, therefore, are reflected in the Combined Balance Sheets. Accounts payable to BHC and its affiliates, and accounts receivables due from BHC and its affiliates were $6 million and $32 million, respectively as of December 31, 2021, and were not material as of December 31, 2020 and 2019.

BHC Pooled Financing Arrangements

Certain legal entities comprising Bausch + Lomb participate in BHC pooled financing arrangements, which allow for individual legal entities participating in the arrangements to borrow from the sponsoring bank. Total borrowings by the BHC pool participants is limited to the aggregate cash maintained in accounts held by the sponsoring bank. As of December 31, 2021 and 2020, legal entities comprising Bausch + Lomb had net borrowings of $28 million and $0, respectively, under these arrangements. BHC held a net positive cash balance in this pool, as these borrowings were more than offset by cash held by other BHC owned legal entities, including legal entities which have commingled B+L and non-B+L activities. Cash from these commingled legal entities has generally not been included in the Business' Combined Balance Sheets as such cash is not specifically identifiable to the Business. These borrowings are presented on the Combined Balance Sheets within Accrued and other current liabilities and in the Financing Activities section of the Combined Statements of Cash Flows as Net borrowings under BHC pooled financing arrangements. Interest incurred on such borrowings were not material for any period presented.

Net Transfers to BHC

The total effect of the settlement of related party transactions is reflected as a financing activity in the Combined Statements of Cash Flows. The components of the Net transfers to BHC for the years 2021, 2020 and 2019 are as follows:

(in millions)	2021	2020	2019
Cash pooling and general financing activities	$(1,317)	$(428)	$(194)
Corporate allocations	390	354	363
Provision (benefit) from income taxes	302	(106)	(706)
Total net transfers to BHC	**(625)**	**(180)**	**(537)**
Share-based compensation	(62)	(50)	(50)
Other, net	(43)	5	(6)
Net transfers to BHC per Combined Statements of Cash Flows	**$ (730)**	**$(225)**	**$(593)**

4. LICENSING AGREEMENTS

Licensing Agreements

In the normal course of business, the Business may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products. These products are sometimes investigational treatments in early stage development that target unique conditions. The ultimate outcome, including whether the product will be: (i) fully developed, (ii) approved by regulatory agencies, (iii) covered by third-party payors or (iv) profitable for distribution, is highly uncertain. The commitment periods under these agreements vary and include customary termination provisions. Expenses arising from commitments, if any, to fund the development and testing of these products and their promotion are recognized as incurred. Royalties due are recognized when earned and milestone payments are accrued when each milestone has been achieved and payment is probable and can be reasonably estimated.

Option to Purchase All Ophthalmology Assets of Allegro Ophthalmics, LLC ("Allegro")

On September 21, 2020, the Business announced that it had entered into an agreement to acquire an option to purchase all of the ophthalmology assets of Allegro (the "Option"), a privately held biopharmaceutical company focused on the development of therapies that regulate integrin functions for the treatment of ocular diseases. Among the assets to be acquired if the Option was exercised, is the worldwide rights to risuteganib (Luminate®), Allegro's lead investigational compound in retina, which is believed to simultaneously act on the angiogenic, inflammatory and mitochondrial metabolic \pathways implicated in diseases such as intermediate dry Age-related Macular Degeneration. During the three months ended September 30, 2020, the Business made and expensed as acquired IPR&D included in Other expense, net, an initial upfront payment of $10 million to acquire the Option. However, on June 23, 2021, Allegro notified the Business that it did not raise the additional funding required under the option agreement Pursuant to the terms of the option agreement, the Option thereby terminated, and the Business exercised its right to convert the $10 million upfront payment into a minor equity interest in Allegro. The Business expects that it will make no additional payments pursuant to this option agreement.

5. FAIR VALUE MEASUREMENTS

Fair value measurements are estimated based on valuation techniques and inputs categorized as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities;
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using discounted cash flow methodologies, pricing models, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following fair value hierarchy table presents the components and classification of the Business' financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2021 and 2020:

	2021				2020			
(in millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	$ 12	$ —	$ 12	$ —	$ 9	$ 1	$ 8	$ —
Restricted cash	$ 3	$ —	$ 3	$ —	$—	$ —	$ —	$ —
Liabilities:								
Acquisition-related contingent consideration	$ 9	$ —	$ —	$ 9	$ 9	$ —	$ —	$ 9

There were no transfers between Level 1, Level 2 or Level 3 during 2021 and 2020.

Foreign Currency Exchange Contracts

During 2021 and 2020, BHC, on behalf of the Business, entered into foreign currency exchange contracts. As of December 31, 2021, these contracts had an aggregate outstanding notional amount of $53 million.

The fair value of the Business' foreign currency exchange contracts as of December 31, 2021 was not material. Amounts included in Accrued and other current liabilities and in Prepaid expenses and other current assets, within the Combined Balance Sheets, were not material. During 2021, the net change in fair value was a loss of $2 million Settlements of the Business' foreign currency exchange contracts are reported as a gain or loss in the Combined Statements of Operations as part of Foreign exchange and other and reported as operating activities in the Combined Statements of Cash Flows. During 2021, the Business reported a realized loss of $2 million related to settlements of the Business foreign currency exchange contracts.

The fair value of the Business' foreign currency exchange contracts as of December 31, 2020 was not material. Amounts included in Accrued and other current liabilities and in Prepaid expenses and other current assets, within the Combined Balance Sheets, were not material During 2020, the net change in fair value was a gain of $3 million Settlements of the Business' foreign currency exchange contracts are reported as a gain or loss in the Combined Statements of Operations as part of Foreign exchange and other and reported as operating activities in the Combined Statements of Cash Flows. During 2020, the Business reported a realized gain of $3 million related to settlements of the Business' foreign currency exchange contracts.

6. INVENTORIES

Inventories, net as of December 31, 2021 and 2020 consist of:

(in millions)	2021	2020
Raw materials	$147	$145
Work in process	34	33
Finished goods	391	438
	$572	$616

Inventory write-offs were $35 million, $30 million, and $20 million for 2021, 2020 and 2019, respectively.

7. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment as of December 31, 2021 and 2020 consist of:

(in millions)	2021	2020
Land	$ 46	$ 48
Buildings	484	488
Machinery and equipment	1,260	1,291
Other equipment and leasehold improvements	232	204
Construction in progress	527	396
	2,549	2,427
Less accumulated depreciation	(1,324)	(1,263)
	$ 1,225	$ 1,164

Depreciation expense was $123 million, $119 million and $121 million for 2021, 2020 and 2019, respectively.

Table of Contents

8 INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The major components of intangible assets as of December 31, 2021 and 2020 consist of:

(in millions)	Weighted-Average Remaining Useful Lives (Years)	2021 Gross Carrying Amount	2021 Accumulated Amortization and Impairments	2021 Net Carrying Amount	2020 Gross Carrying Amount	2020 Accumulated Amortization and Impairments	2020 Net Carrying Amount
Finite-lived intangible assets:							
Product brands	3	$ 2,656	$ (2,209)	$ 447	$ 2,687	$ (1,999)	$ 688
Corporate brands	9	12	(6)	6	12	(4)	8
Product rights/patents	4	995	(882)	113	985	(832)	153
Technology and other	0	62	(62)	—	66	(58)	8
Total finite-lived intangible assets		3,725	(3,159)	566	3,750	(2,893)	857
Acquired IPR&D not in service	NA	—	—	—	7	—	7
B&L Trademark	NA	1,698	—	1,698	1,698	—	1,698
		$ 5,423	$ (3,159)	$ 2,264	$ 5,455	$ (2,893)	$ 2,562

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment charges associated with these assets are included in Other expense, net in the Combined Statement of Operations. The Business continues to monitor the recoverability of its finite-lived intangible assets and tests the intangible assets for impairment if indicators of impairment are present.

Asset impairments for 2021 and 2020 of $12 million and $1 million, respectively included impairments associated with the discontinuance of certain product lines.

Assets impairments for 2019 of $16 million included impairments of: (i) $12 million due to decreases in forecasted sales of certain product lines and (ii) $4 million related to assets being classified as held for sale.

The impairments to assets reclassified as held for sale were measured as the difference of the carrying value of these assets as compared to the estimated fair values of these assets less costs to sell determined using a discounted cash flow analysis which utilized Level 3 unobservable inputs The other impairments and adjustments to finite-lived intangible assets were measured as the difference of the historical carrying value of these finite-lived assets as compared to the estimated fair value as determined using a discounted cash flow analysis using Level 3 unobservable inputs.

Periodically, the Business' products face the expiration of their patent or regulatory exclusivity. The Business anticipates that product sales for such product would decrease shortly following a loss of exclusivity, due to the possible entry of a generic competitor. Where the Business has the rights, it may elect to launch an authorized generic of such product (either as the Business' own branded generic or through a third-party). This may occur prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales; however, even with launch of an authorized generic, the decline in product sales of such product could still be significant, and the effect on future revenues could be material. Management continually assesses the useful lives related to the Business' long-lived assets to reflect the most current assumptions.

Table of Contents

Estimated amortization expense of finite lived intangible assets for the five years ending December 31 and thereafter are as follows

(in millions)	2022	2023	2024	2025	2026	Thereafter	Total
Amortization	$245	$178	$ 85	$ 39	$ 5	$ 14	$566

Goodwill

The changes in the carrying amounts of goodwill during the during the years 2021, 2020 and 2019 were as follows:

(in millions)	Bausch + Lomb	Vision Care/Consumer Health Care	Ophthalmic Pharmaceuticals	Surgical	Total
Balance, January 1, 2019	$ 4,579	$ —	$ —	$ —	$4,579
Goodwill reclassified to assets held for sale	(10)	—	—	—	(10)
Foreign exchange and other	(15)	—	—	—	(15)
Balance, December 31, 2019	4,554	—	—	—	4,554
Assets held for sale reclassified to goodwill	10	—	—	—	10
Foreign exchange and other	121	—	—	—	121
Balance, December 31, 2020	4,685	—	—	—	4,685
Realignment of segment goodwill	(4,685)	3,674	689	322	—
Foreign exchange and other	—	(78)	(14)	(7)	(99)
Balance, December 31, 2021	$ —	$ 3,596	$ 675	$ 315	$4,586

Goodwill is not amortized but is tested for impairment at least annually on October 1st at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment. The Business performs its annual impairment test by first assessing qualitative factors. Where the qualitative assessment suggests that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative fair value test is performed for that reporting unit (Step 1).

The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants. The Business estimates the fair values of a reporting unit using a discounted cash flow model which utilizes Level 3 unobservable inputs. The discounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, projected working capital needs, selling, general and administrative expenses, research and development expenses, capital expenditures, income tax rates, discount rates and terminal growth rates. To estimate fair value, the Business discounts the forecasted cash flows of each reporting unit. The discount rate the Business uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant would expect to earn. The quantitative fair value test is performed utilizing long-term growth rates and discount rates applied to the estimated cash flows in estimation of fair value. To estimate cash flows beyond the final year of its model, the Business estimates a terminal value by applying an in-perpetuity growth assumption and discount factor to determine the reporting unit's terminal value.

To forecast a reporting unit's cash flows the Business takes into consideration economic conditions and trends, estimated future operating results, management's and a market participant's view of growth rates and product lives, and anticipates future economic conditions. Revenue growth rates inherent in these forecasts are based on input from internal and external market research that compare factors such as growth in global economies, recent industry trends and product life-cycles. Macroeconomic factors such as changes in economies, changes in the competitive landscape including the unexpected loss of exclusivity to the Business' product portfolio, changes in government legislation, product life-cycles, industry consolidations and other changes beyond the Business' control could have a positive or negative impact on achieving its targets Accordingly, if market conditions deteriorate, or if the Business is unable to execute its strategies, it may be necessary to record impairment charges in the future.

2020 and 2019 Annual Goodwill Impairment Tests

The Business conducted its annual goodwill impairment tests as of October 1, 2020 and 2019 by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In management's assessment, no qualitative factors were identified which suggested that it was more likely than not that the carrying amount of a reporting unit exceeded its fair value, and therefore there was no impairment to the goodwill of any reporting unit for the years 2020 and 2019.

As more fully discussed in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" **-** *Impacts of COVID-19 Pandemic*, the Business has assessed the potential impact that the COVID-19 pandemic is likely to have on its forecasted cash flows. In performing its assessment, the Business considered the possible effects and outcomes of the COVID-19 pandemic on, among other things, its supply chain, customers and distributors, employee base, product sustainability, research and development activities, product pipeline and consumer demand and related rebates and discounts and has made adjustments, although not considered to be material, to its long-term forecasts as of October 1, 2020 (the date goodwill was last tested for impairment) for these and other matters. After completing this assessment, although not completely insulated from the negative effects of the COVID-19 pandemic, the Business believes that its long-term forecasted cash flows, as adjusted for the possible outcome of the COVID-19 pandemic and other matters, do not indicate that the fair value of any reporting unit may be below its carrying value.

The Business' latest forecasts of cash flows gives consideration to the nature and timing of the expected revenue losses disclosed above. The changes in the amounts and timing of these revenues as presented in the latest forecasts include a range of potential outcomes and, are not substantial enough to materially adversely affect the recoverability of any of the associated reporting units' assets and are not material enough to indicate that the fair values of those reporting units might be below their respective carrying values.

Second Quarter 2021 - Realignment of Segments

Bausch + Lomb has historically operated as part of BHC, reported under BHC's segment structure and historically the Chief Operating Decision Maker, ("CODM"), was the CODM of BHC. As the Business is transitioning into an independent, publicly traded company, BHC's CEO, who is the Business' CODM, evaluated how to view and measure the Business' performance. This evaluation necessitated a realignment of the Business' historical segment structure, and during the second quarter of 2021, Bausch + Lomb determined it is organized into three operating segments, which are also its reportable segments and reporting units. This realignment is consistent with how the CODM: (i) assesses operating performance on a regular basis, (ii) makes resource allocation decisions and (iii) designates responsibilities of his direct reports. Pursuant to these changes, effective in the second quarter of 2021, the Business operates in the following operating and reportable segments which are generally determined based on the decision-making structure of the Business and the grouping of similar products and services: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical.

This realignment in segment structure resulted in a change in the Business' former Bausch + Lomb reporting units, which are now divided between the: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical reporting units. As a result of this realignment, goodwill was reassigned to each of the aforementioned reporting units using a relative fair value approach.

Immediately prior to the change in reporting units, the Business performed a qualitative fair value assessment for its former Bausch + Lomb reporting units. Based on the qualitative fair value assessment performed, Management believed that it was more likely than not that the carrying value of its former

Bausch + Lomb reporting units were less than their respective fair values and therefore, concluded a quantitative assessment was not required

Immediately following the change in reporting units, as a result of the change in composition of the net assets for its current: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical reporting units, the Business performed a quantitative fair value assessment. The quantitative fair value test utilized long-term growth rates of 2.0% and 3.0% and a range of discount rates between 7.0% and 10.0%, in estimation of the fair value of the reporting units. After completing the testing, the fair value of each of these reporting units exceeded its carrying value by more than 45%, and, therefore, there was no impairment to goodwill.

2021 Annual Goodwill Impairment Test

The Business conducted its annual goodwill impairment test as of October 1, 2021 by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In management's assessment, no qualitative factors were identified which suggested that it was more likely than not that the carrying amount of a reporting unit exceeded its fair value, and therefore there was no impairment to the goodwill of any reporting unit for the year 2021.

If market conditions deteriorate, or if the Business is unable to execute its strategies, it may be necessary to record impairment charges in the future.

There were no goodwill impairment charges through December 31, 2021.

9. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities as of December 31, 2021 and 2020 consist of:

(in millions)	2021	2020
Employee compensation and benefit costs	$204	$168
Product rebates	164	122
Discounts and allowances	88	86
Product returns	60	77
Other	344	278
	$860	$731

10. PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS

Single Employer Plans

The Business has defined benefit plans and a participatory defined benefit postretirement medical and life insurance plan, which covers a closed grandfathered group of legacy U.S. employees and employees in certain other countries. The U.S. defined benefit accruals were frozen as of December 31, 2004 and benefits that were earned up to December 31, 2004 were preserved. Participants continue to earn interest credits on their cash balance at an interest crediting rate that is equal to the greater of: i) the average annual yield on 10-year Treasury bonds in effect for the November preceding the plan year or ii) 4.50%. The most significant non-U.S. plans are two defined benefit plans in Ireland. In 2011, both Ireland defined benefit plans were closed to future service benefit accruals; however, additional accruals related to annual salary increases continued. In December 2014, one of the Ireland defined benefit plans was amended effective August 2014 to eliminate future benefit accruals related to salary increases. All of the pension benefits accrued through the plan amendment date were preserved. As a result of the plan amendment, there are no active plan participants accruing benefits under the amended Ireland defined benefit plan. The U.S. postretirement benefit plan was amended effective January 1, 2005 to eliminate employer contributions after

Table of Contents

age 65 for participants who did not meet the minimum requirements of age and service on that date The employer contributions for medical and prescription drug benefits for participants retiring after March 1, 1989 were frozen effective January 1, 2010. Effective January 1, 2014, the Business no longer offers medical and life insurance coverage to new retirees.

In addition to the legacy benefit plans, outside of the U.S., a limited group of the Business' employees are covered by defined benefit pension plans.

The Business uses December 31 as the year-end measurement date for all of its defined benefit pension plans and the postretirement benefit plan.

Accounting for Pension Benefit Plans and Postretirement Benefit Plan

The Business recognizes in its Combined Balance Sheets an asset or liability equal to the over- or under-funded benefit obligation of each defined benefit pension plan and postretirement benefit plan. Actuarial gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost are recognized, net of tax, as a component of other comprehensive income (loss).

The amounts included in Accumulated other comprehensive loss as of December 31, 2021, and 2020 were as follows:

	Pension Benefit Plans				U.S. Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
(in millions)	2021	2020	2021	2020	2021	2020
Unrecognized actuarial losses	$ (18)	$ (21)	$ (42)	$ (76)	$ (2)	$ (3)
Unrecognized prior service credits	$—	$—	$ 25	$ 27	$ 8	$ 11

Net Periodic (Benefit) Cost

The following table provides the components of net periodic (benefit) cost for the Business' defined benefit pension plans and postretirement benefit plan in 2021, 2020 and 2019:

	Pension Benefit Plans						U.S. Postretirement Benefit Plan		
	U.S. Plan			Non-U.S. Plans					
(in millions)	2021	2020	2019	2021	2020	2019	2021	2020	2019
Service cost	$ 1	$ 1	$ 2	$ 2	$ 2	$ 2	$—	$—	$—
Interest cost	4	6	8	3	3	4	1	1	1
Expected return on plan assets	(11)	(13)	(13)	(5)	(5)	(5)			
Amortization of net loss	—	—	—	2	1	1	—	—	—
Amortization of prior service credit	—	—	—	(1)	(1)	(1)	(3)	(3)	(2)
Settlement loss recognized	—	—	—	8	—	—	—	—	—
Net periodic (benefit) cost	$ (6)	$ (6)	$ (3)	$ 9	$—	$ 1	$ (2)	$ (2)	$ (1)

Benefit Obligation Change in Plan Assets and Funded Status

The table below presents components of the change in projected benefit obligation, change in plan assets and funded status for 2021 and 2020:

	Pension Benefit Plans				U.S. Postretirement Benefit Plan	
	U.S. Plan		Non-U.S. Plans			
(in millions)	2021	2020	2021	2020	2021	2020
Change in Projected Benefit Obligation						
Projected benefit obligation, beginning of year	$236	$227	$280	$ 246	$ 39	$ 41
Service cost	1	1	2	2	—	—
Interest cost	4	6	3	3	1	1
Employee contributions	—	—	—	—	—	—
Settlements	(4)	—	(43)	(2)	—	—
Benefits paid	(11)	(15)	2	(4)	(3)	(4)
Actuarial (gains) losses	(6)	17	(8)	13	(2)	1
Currency translation adjustments	—	—	(18)	22	—	—
Projected benefit obligation, end of year	220	236	218	280	35	39
Change in Plan Assets						
Fair value of plan assets, beginning of year	231	216	185	157	—	—
Actual return on plan assets	8	29	18	11	—	—
Employee contributions	—	—	—	—	—	—
Company contributions	—	1	27	8	3	4
Settlements	(4)	—	(43)	(2)	—	—
Benefits paid	(11)	(15)	(2)	(4)	(3)	(4)
Currency translation adjustments	—	—	(14)	15	—	—
Fair value of plan assets, end of year	224	231	171	185	—	—
Funded Status at end of year	$ 4	$ (5)	$ (47)	$ (95)	$ (35)	$ (39)
Recognized as						
Other non-current assets	$ 4	$—	$—	$ —	$—	$ —
Accrued and other current liabilities	$—	$—	$ (1)	$ (2)	$ (4)	$ (4)
Other non-current liabilities	$—	$ (5)	$ (46)	$ (93)	$ (31)	$ (35)

Included in Settlement loss recognized and Settlements in the tables above are the costs and payments associated with the conversion of a portion of the Business' defined benefit plan in Ireland to a defined contribution plan during the fourth quarter of 2021.

A number of the Business' pension benefit plans were underfunded as of December 31, 2021 and 2020, having accumulated benefit obligations exceeding the fair value of plan assets. Information for the underfunded pension benefit plans is as follows:

	U.S. Plan		Non-U.S. Plans	
(in millions)	2021	2020	2021	2020
Projected benefit obligation	$—	$236	$220	$ 280
Accumulated benefit obligation	—	236	212	276
Fair value of plan assets	—	231	172	185

The Business' policy for funding its pension benefit plans is to make contributions that meet or exceed the minimum statutory funding requirements. These contributions are determined based upon recommendations made by the actuary under accepted actuarial principles. In 2022, the Business expects to contribute $0, $8 million and $4 million to the U.S. pension benefit plan, the non-U.S. pension benefit plans and the U.S.

postretirement benefit plan, respectively The Business plans to use postretirement benefit plan assets and cash on hand, as necessary, to fund the U.S. postretirement benefit plan benefit payments in 2022.

Estimated Future Benefit Payments

Future benefit payments over the next 10 years for the pension benefit plans and the postretirement benefit plan, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Benefit Plans		U.S. Postretirement Benefit Plan
(in millions)	U.S. Plan	Non-U.S. Plans	
2022	$ 15	$ 4	$ 4
2023	19	5	4
2024	17	6	3
2025	17	6	3
2026	16	6	3
2027-2031	73	36	11

Assumptions

The weighted-average assumptions used to determine net periodic benefit costs and benefit obligations for 2021, 2020 and 2019 were as follows:

	Pension Benefit Plans			U.S. Postretirement Benefit Plan		
	2021	2020	2019	2021	2020	2019
For Determining Net Periodic (Benefit) Cost						
U.S. Plans:						
Discount rate	2.25%	3.16%	4.25%	2.09%	3.04%	4.16%
Expected rate of return on plan assets	5.00%	6.25%	7.25%	—	—	—
Rate of compensation increase	—	—	—	—	—	—
Interest crediting rate	4.75%	4.75%	5.00%			
Non-U.S. Plans:						
Discount rate	1.14%	1.48%	2.19%			
Expected rate of return on plan assets	2.73%	2.97%	3.45%			
Rate of compensation increase	2.49%	2.99%	2.76%			

	Pension Benefit Plans		U.S. Postretirement Benefit Plan	
	2021	2020	2021	2020
For Determining Benefit Obligation				
U.S. Plans:				
Discount rate	2.69%	2.25%	2.57%	2.09%
Rate of compensation increase	—	—	—	—
Interest crediting rate	4.75%	4.75%		
Non-U.S. Plans:				
Discount rate	1.60%	1.19%		
Rate of compensation increase	2.60%	2.50%		

The expected long-term rate of return on plan assets was developed based on a capital markets model that uses expected asset class returns, variance and correlation assumptions. The expected asset class returns were developed starting with current Treasury (for the U.S. pension plan) or Eurozone (for the Ireland pension plans) government yields and then adding corporate bond spreads and equity risk premiums to develop the return expectations for each asset class. The expected asset class returns are forward-looking.

Table of Contents

The variance and correlation assumptions are also forward looking They take into account historical relationships, but are adjusted to reflect expected capital market trends.

The discount rate used to determine benefit obligations represents the current rate at which the benefit plan liabilities could be effectively settled considering the timing of expected payments for plan participants.

The 2022 expected rate of return for the U.S. pension benefit plan will be 4.50%. The 2022 expected rate of return for the Ireland pension benefit plans will be 2.75%.

Pension Benefit Plans Assets

Pension benefit plan assets are invested in several asset categories. The following presents the actual asset allocation as of December 31, 2021 and 2020:

	2021	2020
U.S. Plan		
Cash and cash equivalents	1%	1%
Equity securities	30%	39%
Fixed income securities	69%	60%
Non-U.S. Plans		
Cash and cash equivalents	8%	2%
Equity securities	32%	28%
Fixed income securities	40%	59%
Other	20%	11%

The investment strategy underlying pension plan asset allocation is to manage the assets of the plan to provide for the non-current liabilities while maintaining sufficient liquidity to pay current benefits. Pension plan assets are diversified to protect against large investment losses and to reduce the probability of excessive performance volatility. Diversification of assets is achieved by allocating funds to various asset classes and investment styles within asset classes, and retaining investment management firm(s) with complementary investment philosophies, styles and approaches.

The Business' pension plan assets are managed by outside investment managers using a total return investment approach, whereby a mix of equity and debt securities investments are used to maximize the long-term rate of return on plan assets. A significant portion of the assets of the U.S. and Ireland pension plans have been invested in equity securities, as equity portfolios have historically provided higher returns than debt and other asset classes over extended time horizons. Correspondingly, equity investments also entail greater risks than other investments. Equity risks are balanced by investing a significant portion of plan assets in broadly diversified fixed income securities.

Fair Value of Plan Assets

The Business measured the fair value of plan assets based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5, "FAIR VALUE MEASUREMENTS" for details on the Business' fair value measurements based on a three-tier hierarchy.

The table below presents total plan assets by investment category as of December 31, 2021 and 2020 and the classification of each investment category within the fair value hierarchy with respect to the inputs used to measure fair value. There were no Level 3 plan assets for any period presented and there were no transfers between Level 1 and Level 2 during 2021 and 2020.

	Pension Benefit Plans - U.S. Plans					
	December 31, 2021			December 31, 2020		
(in millions)	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash and cash equivalents	$ 1	$ —	$ 1	$ 2	$ —	$ 2
Commingled funds:						
Equity securities:						
U.S. broad market	—	36	36	—	48	48
Emerging markets	—	6	6	—	9	9
Worldwide developed markets	—	16	16	—	20	20
Other assets	—	10	10	—	14	14
Fixed income securities:						
Investment grade	—	155	155	—	138	138
	$ 1	$ 223	$224	$ 2	$ 229	$231

	Pension Benefit Plans - Non-U.S. Plans					
	December 31, 2021			December 31, 2020		
(in millions)	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash equivalents	$ —	$ 13	$ 13	$ —	$ 3	$ 3
Commingled funds:						
Equity securities:						
Emerging markets	—	3	3	—	1	1
Developed markets	—	51	51	—	51	51
Fixed income securities:						
Investment grade	—	3	3	—	6	6
Global high yield	—	—	—	—	1	1
Government bond funds	1	65	66	1	102	103
Other assets	—	35	35	—	20	20
	$ 1	$ 170	$171	$ 1	$ 184	$185

Cash equivalents consisted primarily of term deposits and money market instruments. The fair value of the term deposits approximates their carrying amounts due to their short term maturities. The money market instruments also have short maturities and are valued using a market approach based on the quoted market prices of identical instruments.

Commingled funds are not publicly traded. The underlying assets in these funds are publicly traded on the exchanges and have readily available price quotes. The Ireland pension plans held approximately 95% of the non-U.S. commingled funds in 2021 and 2020. The commingled funds held by the U.S. and Ireland pension plans are primarily invested in index funds.

The underlying assets in the fixed income funds are generally valued using the net asset value per fund share, which is derived using a market approach with inputs that include broker quotes, benchmark yields, base spreads and reported trades.

Defined Contribution Plans

BHC sponsors defined contribution plans in the U.S., Ireland and certain other countries, which the Business participates in. Under these plans, employees are allowed to contribute a portion of their salaries to the

Table of Contents

plans, and the Business matches a portion of the employee contributions BHC, on behalf of the Business, contributed $36 million, $36 million and $34 million to these plans during the years 2021, 2020 and 2019, respectively.

Multiemployer Plans

BHC offers certain of its defined benefit plans, a participatory defined benefit postretirement medical and life insurance plans and defined contribution plan to be shared amongst its businesses, including Bausch + Lomb, and the participation of its employees and retirees in these plans is reflected as though Bausch + Lomb participated in a multiemployer plan with BHC. A proportionate share of the cost associated with the multiemployer plan is reflected in the Combined Financial Statements, while any assets and liabilities associated with the multiemployer plan are retained by BHC and recorded on BHC's balance sheet Bausch + Lomb's proportionate share of these costs were not material for any period presented.

11. LEASES

Right-of-use assets and lease liabilities associated with the Business' operating leases are included in the Combined Balance Sheet as of December 31, 2021 and 2020 as follows:

(in millions)	2021	2020
Right of use assets included in		
Other non-current assets	$112	$100
Lease liabilities included in:		
Accrued and other current liabilities	$ 20	$ 18
Other non-current liabilities	92	83
Total lease liabilities	$112	$101

As of December 31, 2021 and 2020, the Business' finance leases were not material and for 2021 and 2020 sub-lease income and short-term lease expense were not material. Lease expense for 2021 and 2020 includes:

(in millions)	2021	2020
Operating lease costs	$ 39	$ 36
Variable operating lease costs	$ 6	$ 5

Other information related to operating leases for 2021 and 2020 is as follows:

(dollars in millions)	2021	2020
Cash paid from operating cash flows for amounts included in the measurement of lease liabilities	$ 29	$ 24
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 33	$ 21
Weighted-average remaining lease term	8.6 years	8.9 years
Weighted-average discount rate	5.9%	6.2%

As of December 31, 2021, future payments under noncancelable operating leases for each of the five succeeding years ending December 31 and thereafter are as follows:

(in millions)	
2022	$ 25
2023	21
2024	18
2025	15
2026	12
Thereafter	54
Total	145
Less: Imputed interest	33
Present value of remaining lease payments	112
Less: Current portion	20
Non-current portion	$ 92

12. SHARE-BASED COMPENSATION

The Business participates in BHC's long-term incentive program. Accordingly, the following disclosures represent share-based compensation expense attributable to Bausch + Lomb based on the awards and terms previously granted under BHC's share-based compensation plans. Share-based compensation expense attributable to Bausch + Lomb is derived from: (i) the specific identification of Bausch + Lomb employees, and (ii) an allocation of charges from BHC, related to BHC employees providing corporate services to Bausch + Lomb. Accordingly, the amounts presented are not necessarily indicative of future awards and do not necessarily reflect the results that the Business would have experienced as an independent company for the periods presented.

In May 2014, BHC shareholders approved BHC's 2014 Omnibus Incentive Plan (the "2014 Plan") which replaced the BHC's 2011 Omnibus Incentive Plan (the "2011 Plan") for future equity awards granted by BHC. BHC transferred the common shares available under the 2011 Plan to the 2014 Plan. The maximum number of common shares that may be issued to participants under the 2014 Plan is equal to 18,000,000 common shares, plus the number of common shares under the 2011 Plan reserved but unissued and not underlying outstanding awards and the number of common shares becoming available for reuse after awards are terminated, forfeited, cancelled, exchanged or surrendered under the 2011 Plan and the BHC's 2007 Equity Compensation Plan. BHC registered 20,000,000 common shares for issuance under the 2014 Plan.

Effective April 30, 2018, BHC amended and restated its 2014 Plan (the "Amended and Restated 2014 Plan"). The Amended and Restated 2014 Plan includes the following amendments: (i) the number of common shares authorized for issuance under the Amended and Restated 2014 Plan has been increased by an additional 11,900,000 common shares, as approved by the requisite number of BHC shareholders at BHC's annual general meeting held on April 30, 2018, (ii) introduction of a $750,000 aggregate fair market value limit on awards (in either equity, cash or other compensation) that can be granted in any calendar year to a participant who is a non-employee director, (iii) housekeeping changes to address recent changes to Section 162(m) of the Internal Revenue Code, (iv) awards are expressly subject to the BHC's clawback policy and (v) awards not assumed or substituted in connection with a Change of Control (as defined in the Amended and Restated 2014 Plan) will only vest on a pro rata basis.

Effective April 28, 2020, BHC further amended and restated the Amended and Restated 2014 Plan (the "Further Amended and Restated 2014 Plan"). The Further Amended and Restated 2014 Plan includes the following amendments: (i) the number of common shares authorized for issuance under the Further Amended and Restated 2014 Plan has been increased by an additional 13,500,000 common shares, as approved by the requisite number of BHC shareholders at BHC's annual general meeting held on April 28, 2020, (ii) the exercise price of stock options and share appreciation rights ("SARs") will be based on the closing price of the underlying common shares on the date such stock options or SARs are granted (rather than on the last preceding trading date), (iii) additional provisions clarifying that: (a) stock options and SARs will not be eligible for the payment of dividend or dividend equivalents and (b) the Talent and Compensation Committee of the Board of Directors of BHC cannot, without BHC shareholder approval, seek to effect any repricing of any previously granted "underwater" stock option or SAR and (iv) other housekeeping and/or clerical changes.

BHC has a long-term incentive program with the objective of realigning the share-based awards granted to senior management with BHC's focus on improving its tangible capital usage and allocation while maintaining focus on improving BHC total shareholder return over the long-term. The share-based awards granted under this long-term incentive program consist of time-based stock options, time-based RSUs and performance-based RSUs. Performance-based RSUs are comprised of: (i) awards that vest upon achievement of certain share price appreciation conditions that are based on BHC TSR and (ii) awards that vest upon attainment of certain performance targets that are based on the BHC's ROTC.

Approximately 11,593,000 of BHC's common shares were available for future grants as of December 31, 2021. BHC uses reserved and unissued common shares to satisfy its obligation under its share-based compensation plans.

The components and classification of share-based compensation expense related to stock options and RSUs directly attributable to those employees specifically identified as Bausch + Lomb employees for the years 2021, 2020 and 2019 were as follows:

(in millions)	2021	2020	2019
Stock options	$ 3	$ 3	$ 3
RSUs	35	27	24
Share-based compensation expense	$ 38	$ 30	$ 27
Research and development expenses	$ 6	$ 5	$ 6
Selling, general and administrative expenses	32	25	21
Share-based compensation expense	$ 38	$ 30	$ 27

In addition to share-based compensation expense attributable to employees that are specific to the Bausch + Lomb business, share-based compensation expense also includes $24 million, $20 million and $23 million for the years 2021, 2020 and 2019 respectively, of allocated charges from BHC, based on revenues, related to BHC employees providing corporate services to Bausch + Lomb.

Stock Options

Stock options granted under the 2011 Plan and the Amended and Restated 2014 Plan generally expire on the fifth or tenth anniversary of the grant date. The exercise price of any stock option granted under the 2011 Plan and the Amended and Restated 2014 Plan will not be less than the closing price per common share preceding the date of grant. Stock options generally vest 33% and 25% each year over a three-year and four-year period, respectively, on the anniversary of the date of grant.

The fair values of all stock options granted for the years 2021, 2020 and 2019 were estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2021	2020	2019
Expected stock option life (years)	3.0	3.0	3.0
Expected volatility	47.3%	38.6%	46.5%
Risk-free interest rate	0.4%	1.2%	2.5%
Expected dividend yield	%	%	%

Table of Contents

The expected stock option life was determined based on historical exercise and forfeiture patterns associated with historical BHC stock option grants. The expected volatility was determined based on implied volatility in the market traded options of the BHC's common shares. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the expected life of the stock option. The expected dividend yield was determined based on the stock option's exercise price and expected BHC annual dividend rate at the time of grant.

The Black-Scholes option-pricing model used by BHC to calculate stock option values was developed to estimate the fair value of freely tradable, fully transferable stock options without vesting restrictions, which significantly differ from BHC's stock option awards. This model also requires highly subjective assumptions, including future stock price volatility and expected time until exercise.

The weighted average fair values of stock options granted to Bausch + Lomb employees in 2021, 2020 and 2019 were $10 42, $6 60 and $8 47, respectively. The total intrinsic values of, and proceeds received from, stock options exercised in 2021, 2020 and 2019, by employees specifically identified as Bausch + Lomb employees, were not material.

As of December 31, 2021, the total remaining unrecognized compensation expense related to non-vested stock options of employees specifically identified as Bausch + Lomb employees amounted to $2 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.7 years. The total fair value of stock options vested in 2021, 2020 and 2019 were $3 million, $2 million and $2 million, respectively.

RSUs

RSUs generally vest on the first or third anniversary date from the date of grant or 33% a year over a three-year period. Pursuant to the applicable unit agreement, certain RSUs may be subject to the attainment of any applicable performance goals specified by the Board of Directors. If the vesting of the RSUs is conditional upon the attainment of performance goals, any RSUs that do not vest as a result of a determination that the prescribed performance goals failed to be attained will be forfeited immediately upon such determination. RSUs are credited with dividend equivalents, in the form of additional RSUs, when dividends are paid on the BHC's common shares. Such additional RSUs will have the same vesting dates and will vest under the same terms as the RSUs in respect of which such additional RSUs are credited.

To the extent provided for in a RSU agreement, BHC may, in lieu of all or a portion of the common shares which would otherwise be provided to a holder, elect to pay a cash amount equivalent to the market price of the BHC's common shares on the vesting date for each vested RSU. The amount of cash payment will be determined based on the average market price of BHC's common shares on the vesting date. BHC's current intent is to settle vested RSUs through the issuance of common shares.

Time-Based RSUs

Each vested time-based RSU represents the right of a holder to receive one of BHC's common shares. The fair value of each RSU granted is estimated based on the trading price of BHC's common shares on the date of grant.

As of December 31, 2021, the total remaining unrecognized compensation expense related to non-vested time-based RSUs of those employees specifically identified as Bausch + Lomb employees amounted to $25 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.6 years. The total fair value of time-based RSUs vested in 2021, 2020 and 2019 were $24 million, $19 million and $11 million, respectively.

Performance-Based RSUs

Each vested performance-based RSU represents the right of a holder to receive a number of BHC's common shares up to a specified maximum. Performance-based RSUs vest upon achievement of certain BHC share price appreciation conditions or attainment of certain BHC performance targets If BHC's performance is below a specified performance level, no common shares will be paid.

The fair value of each TSR performance-based RSU granted during 2021, 2020 and 2019 was estimated using a Monte Carlo Simulation model, which utilizes multiple input variables to estimate the probability that the performance condition will be achieved. The fair value of the ROTC performance-based RSUs is estimated based on the trading price of BHC's common shares on the date of grant. Expense recognized for the ROTC performance-based RSUs in each reporting period reflects BHC's latest estimate of the number of ROTC performance-based RSUs that are expected to vest. If the ROTC performance-based RSUs do not ultimately vest due to the ROTC targets not being met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

The fair values of TSR performance-based RSUs granted during 2021, 2020 and 2019 were estimated with the following assumptions:

	2021	2020	2019
Contractual term (years)	3.0	3.0	3.0
Expected volatility	52.0%	38.6%	46.5%
Risk-free interest rate	0.4%	1.2%	2.5%

The expected volatility was determined based on implied volatility in the market traded options of BHC's common shares. The risk-free interest rate was determined based on the rate at the time of grant for zero-coupon U.S. government bonds with maturity dates equal to the contractual term of the performance-based RSUs.

During 2021, approximately 136,000 performance-based RSUs, consisting of approximately 68,000 units of TSR performance-based RSUs with an average grant date fair value of $56.04 per RSU and approximately 68,000 units of ROTC performance-based RSUs with a weighted-average grant date fair value of $31.73 per RSU were granted to employees specifically identified as Bausch + Lomb employees.

As of December 31, 2021, the total remaining unrecognized compensation expense related to non-vested performance-based RSUs of employees specifically identified as Bausch + Lomb employees amounted to $5 million, which will be amortized over the weighted-average remaining requisite service period of approximately 1.7 years. A maximum of approximately 544,000 common shares could be issued upon vesting of the performance-based RSUs outstanding as of December 31, 2021.

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss as of December 31, 2021 and 2020 consists of:

(in millions)	2021	2020
Foreign currency translation adjustment	$(1,018)	$(835)
Pension adjustment, net of tax	(17)	(54)
	$(1,035)	$(889)

Income taxes are not provided for foreign currency translation adjustments arising on the translation of the Business' operations having a functional currency other than the U.S. dollar, except to the extent of translation adjustments related to the Business' retained earnings for foreign jurisdictions in which the Business is not considered to be permanently reinvested.

Table of Contents

14 RESEARCH AND DEVELOPMENT

Included in Research and development are costs related to product development and quality assurance programs. Quality assurance are the costs incurred to meet evolving customer and regulatory standards. Research and development costs for the years 2021, 2020 and 2019 consists of:

(in millions)	2021	2020	2019
Product related research and development	$254	$236	$234
Quality assurance	17	17	24
Research and development	$271	$253	$258

15. OTHER EXPENSE, NET

Other expense, net for the years 2021, 2020 and 2019 consists of:

(in millions)	2021	2020	2019
Asset impairments	$ 12	$ 1	$ 16
Restructuring and integration costs	2	2	8
Litigation and other matters	(1)	6	16
Acquired in-process research and development costs	5	28	31
Other, net	(1)	1	(4)
Other expense, net	$ 17	$ 38	$ 67

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. Asset impairments are discussed in Note 8, "INTANGIBLE ASSETS AND GOODWILL".

The Business evaluates opportunities to improve its operating results and implements cost savings programs to streamline its operations and eliminate redundant processes and expenses. Restructuring and integration costs are expenses associated with the implementation of these cost savings programs include expenses associated with: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) other cost reduction initiatives.

Litigation and other matters includes net charges related to litigation matters. These matters and other significant matters are discussed in further detail in Note 18, "LEGAL PROCEEDINGS".

In 2020 and 2019, Acquired in-process research and development costs of $28 million and $31 million, primarily consist of costs associated with the upfront payments to enter into certain exclusive licensing agreements.

16. INCOME TAXES

The components of Income before provision for income taxes for 2021, 2020 and 2019 consist of:

(in millions)	2021	2020	2019
Domestic	$365	$387	$ 66
Foreign	(47)	(97)	333
	$318	$290	$399

Table of Contents

The components of (Provision for) benefit from income taxes for 2021, 2020 and 2019 consist of

(in millions)	2021	2020	2019
Current:			
Domestic	$(109)	$(122)	$ (13)
Foreign	(90)	(33)	(116)
	(199)	(155)	(129)
Deferred:			
Domestic	2	(582)	(7)
Foreign	72	430	40
	74	(152)	33
	$(125)	$(307)	$ (96)

The Provision for income taxes differs from the expected amount calculated by applying the Business' Canadian statutory rate of 26.9% to Income before provision for income taxes for 2021, 2020 and 2019 as follows:

(in millions)	2021	2020	2019
Income before provision for income taxes	$ 318	$ 290	$ 399
Provision for income taxes			
Expected provision for income taxes at Canadian statutory rate	$ (86)	$ (78)	$(108)
Adjustments to tax attributes	6	(2)	4
Change in valuation allowance	(2)	68	(11)
Change in uncertain tax positions	15	38	—
Withholding tax	1	1	(13)
Return to provision	5	18	(16)
Foreign tax rate differences	(56)	(63)	44
Tax provision on intra-entity transfers	—	(284)	(7)
Other	(8)	(5)	11
	$(125)	$(307)	$ (96)

The tax provision on intra-entity transfers is related to the deferred tax effects of transfers of certain assets among the Business' subsidiaries.

Deferred tax assets and liabilities as of December 31, 2021 and 2020 consist of:

(in millions)	2021	2020
Deferred tax assets:		
Tax loss carryforwards	$484	$ 579
Intangible assets	309	362
Provisions	151	137
Share-based compensation	9	9
Other	26	20
Total deferred tax assets	979	1,107
Less valuation allowance	(17)	(15)
Net deferred tax assets	962	1,092
Deferred tax liabilities:		
Plant, equipment and technology	37	71
Outside basis differences	16	12
Total deferred tax liabilities	53	83
Net deferred tax asset	$909	$1,009

The realization of deferred tax assets is dependent on the Business generating sufficient domestic and foreign taxable income in the years that the temporary differences become deductible. A valuation allowance has been provided for the portion of the deferred tax assets that the Business determined is more likely than not to remain unrealized based on estimated future taxable income and tax planning strategies. The valuation allowance increased by $2 million during 2021 primarily due to additional losses generated.

As of December 31, 2021 the Business had accumulated taxable losses available to offset future years' federal and provincial taxable income in Canada of approximately $3 million, which expire from 2038 to 2040. As of December 31, 2021 the Business had accumulated taxable losses available to offset future years' federal taxable income in the U.S. of approximately $66 million and expire from 2022 to 2036. These taxable losses are subject to annual loss limitations as a result of previous ownership changes. As of December 31, 2021 the Business had accumulated taxable losses available to offset future years taxable income in Ireland of approximately $3,118 million.

The Business provides for withholding tax on the unremitted earnings of its direct foreign affiliates except for its direct U.S. subsidiaries. The Business continues to assert that the unremitted earnings of its U.S. subsidiaries will be permanently reinvested and not repatriated. As of December 31, 2021, the Business estimates a tax liability of $16 million would be attributable to the permanently reinvested U.S. earnings if recognized.

As of December 31, 2021, unrecognized tax benefits (including interest and penalties) were $74 million, which would affect the effective income tax rate if recognized.

The Business provides for interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of December 31, 2021 and 2020, accrued interest and penalties related to unrecognized tax benefits were approximately $6 million and $7 million, respectively In 2021, 2020 and 2019 the Business recognized a net decrease of approximately $1 million and $2 million and a net increase of approximately $1 million of interest and penalties, respectively.

The Business and one or more of its subsidiaries file federal income tax returns in Canada, the U.S., and other foreign jurisdictions, as well as various provinces and states in Canada and the U.S. The Business and its subsidiaries have open tax years, primarily from 2012 to 2021, with significant taxing jurisdictions listed in the table below, respectively, including Canada and the U.S. These open years contain certain matters that could be subject to differing interpretations of applicable tax laws and regulations and tax treaties, as they relate to the amount, timing, or inclusion of revenues and expenses, or the sustainability of income tax positions of the Business and its subsidiaries. Certain of these tax years are expected to remain open indefinitely.

Jurisdiction:	Open Years
United States—Federal	2015 - 2021
Canada	2012 - 2021
Germany	2014 - 2021
France	2013 - 2021
Ireland	2016 - 2021
Luxembourg	2017 - 2021

The following table presents a reconciliation of the unrecognized tax benefits for 2021, 2020 and 2019:

(in millions)	2021	2020	2019
Balance, beginning of year	$ 62	$100	$100
Additions based on tax positions related to the current year	1	—	—
Additions for tax positions of prior years	48	8	6
Reductions for tax positions of prior years	(7)	(42)	(2)
Lapse of statute of limitations	(30)	(4)	(4)
Balance, end of year	$ 74	$ 62	$100

The Business believes it is reasonably possible that the total amount of unrecognized tax benefits at December 31, 2021 could decrease by approximately $25 million in the next twelve months as a result of the resolution of certain tax and transfer pricing audits and other events.

17. SUPPLEMENTAL CASH FLOW DISCLOSURES

Supplemental cash flow disclosures for 2021, 2020 and 2019 are as follows:

(in millions)	2021	2020	2019
Other Payments			
Interest paid	$—	$ 3	$ 1
Income taxes paid	$ 53	$ 57	$ 84

18. LEGAL PROCEEDINGS

The Business is involved, and, from time to time, may become involved, in various legal and administrative proceedings, which include or may include product liability, intellectual property, commercial, tax, antitrust, governmental and regulatory investigations, related private litigation and ordinary course employment-related issues. From time to time, the Business also initiates or may initiate actions or file counterclaims. The Business could be subject to counterclaims or other suits in response to actions it may initiate. The Business believes that the prosecution of these actions and counterclaims is important to preserve and protect the Business, its reputation and its assets Certain of these proceedings and actions are described below.

On a quarterly basis, the Business evaluates developments in legal proceedings, potential settlements and other matters that could increase or decrease the amount of the liability accrued. As of December 31, 2021, the Business' Combined Balance Sheets includes accrued current loss contingencies of $3 million related to matters which are both probable and reasonably estimable. For all other matters, unless otherwise indicated, the Business cannot reasonably predict the outcome of these legal proceedings, nor can it estimate the amount of loss, or range of loss, if any, that may result from these proceedings. An adverse outcome in certain of these proceedings could have a material adverse effect on the business, financial condition and results of operations, and could cause the market value of its common shares and/or debt securities to decline.

Antitrust

Generic Pricing Antitrust Litigation

BHC's subsidiaries, Oceanside Pharmaceuticals, Inc. ("Oceanside"), Bausch Health US, LLC (formerly Valeant Pharmaceuticals North America LLC) ("Bausch Health US"), and Bausch Health Americas, Inc. (formerly Valeant Pharmaceuticals International) ("Bausch Health Americas") (for the purposes of this paragraph, collectively, the "Company"), are defendants in multidistrict antitrust litigation ("MDL") entitled *In re: Generic Pharmaceuticals Pricing Antitrust Litigation*, pending in the United States District Court for the Eastern District of Pennsylvania (MDL 2724, 16-MD-2724). The lawsuits seek damages under federal and state antitrust laws, state consumer protection and unjust enrichment laws and allege that the Company's subsidiaries entered into a conspiracy to fix, stabilize, and raise prices, rig bids and engage in market and customer allocation for generic pharmaceuticals. The lawsuits, which have been brought as putative class actions by direct purchasers, end payers, and indirect resellers, and as direct actions by direct purchasers, end payers, insurers, States, and various Counties, Cities, and Towns, have been consolidated into the MDL. There are also additional, separate complaints which have been consolidated in the same MDL that do not name the Company or any of its subsidiaries as a defendant. There are cases pending in the Court of Common Pleas of Philadelphia County against the Company and other defendants related to the multidistrict litigation, but no complaint has been filed in these cases. The cases have been put in deferred status. The Company disputes the claims against it and these cases will be defended vigorously.

Additionally, BHC and certain U S and Canadian subsidiaries (for the purposes of this paragraph, collectively "the Company") have been named as defendants in a proposed class proceeding entitled Kathryn Eaton v. Teva Canada Limited, et al. in the Federal Court in Toronto, Ontario, Canada (Court File No. T-607-20). The plaintiff seeks to certify a proposed class action on behalf of persons in Canada who purchased generic drugs in the private sector, alleging that the Company and other defendants violated the Competition Act by conspiring to allocate the market, fix prices, and maintain the supply of generic drugs, and seeking damages under federal law. The proposed class action contains similar allegations to the In re: Generic Pharmaceuticals Pricing Antitrust Litigation pending in the United States Court for the Eastern District of Pennsylvania. The Company disputes the claims against it and this case will be defended vigorously.

These lawsuits cover products of both the Business and BHC's other businesses. It is anticipated that the Business and BHC will split the fees and expenses associated with defending these claims, as well as any potential damages or other liabilities awarded in or otherwise arising from these claims, in the manner set forth in the Master Separation Agreement.

PreserVision® AREDS 2 Antitrust Litigation

Bausch & Lomb Incorporated ("B&L Inc.") is a defendant in an antitrust suit filed by a competitor on December 8, 2021 in the United States District Court for the Central District of California (Pharmavite LLC v. Bausch & Lomb Incorporated, et al., Case No. 2:21-CV-09507 (the "Pharmavite case")). The lawsuit asserts that B&L Inc.'s efforts to enforce one of its patents against the competitor in a patent infringement suit in Delaware (Bausch & Lomb Inc., et al. v. Nature Made Nutritional Products & Pharmavite LLC, C.A. No. 21-cv-01030-UNA (D. Del.)) (the "Delaware Action") and certain B&L Inc. marketing statements constitute monopolization, attempted monopolization, and a conspiracy to monopolize the alleged product market of eye health dietary supplements. The lawsuit seeks damages and injunctive relief under Section 2 of the Sherman Act. The suit also seeks a declaratory judgment finding that the competitor does not infringe the relevant patent, that the relevant patent is invalid, and that B&L Inc. has misused the relevant patent. B&L Inc.'s responsive pleading is due on March 30, 2022.

B&L Inc. is also a defendant in an antitrust suit filed by a competitor on December 21, 2021 in the United States District Court for the Eastern District of Missouri (ZeaVision, LLC v. Bausch & Lomb Incorporated, et al., Civil Action No. 4:21-cv-01487). The lawsuit asserts similar claims to the Pharmavite case but also includes a false advertising claim under the Lanham Act. On February 11, 2022, B&L Inc. filed a motion to dismiss, or in the alternative, to stay or transfer. On March 4, 2022, ZeaVision, LLC filed its First Amended Complaint, dismissing B&L Inc.'s co-defendant and its conspiracy to monopolize claim. B&L Inc.'s responsive pleading to the First Amended Complaint is due on April 1, 2022.

B&L Inc. disputes the claims against it and will defend the cases vigorously.

Product Liability

Shower to Shower® Products Liability Litigation

Since 2016, BHC has been named in a number of product liability lawsuits involving the Shower to Shower® body powder product acquired in September 2012 from Johnson & Johnson; due to dismissals, twenty-nine (29) of such product liability suits currently remain pending. Potential liability (including its attorneys' fees and costs) arising out of these remaining suits is subject to full indemnification obligations of Johnson & Johnson owed to BHC and its affiliates, including the Business, and legal fees and costs will be paid by Johnson & Johnson. Twenty-eight (28) of these lawsuits filed by individual plaintiffs allege that the use of Shower to Shower® caused the plaintiffs to develop ovarian cancer, mesothelioma or breast cancer. The allegations in these cases include failure to warn, design defect, manufacturing defect, negligence, gross negligence, breach of express and implied warranties, civil conspiracy concert in action, negligent misrepresentation, wrongful death, loss of consortium and/or punitive damages. The damages sought include compensatory damages, including medical expenses, lost wages or earning capacity, loss of consortium and/or compensation for pain and suffering, mental anguish anxiety and discomfort, physical impairment and loss of enjoyment of life Plaintiffs also seek pre- and post-judgment interest, exemplary and punitive damages, and attorneys' fees. Additionally, two proposed class actions have been filed in Canada against BHC and various Johnson & Johnson entities (one in the Supreme Court of British Columbia and one in the Superior Court of Quebec), on behalf of persons who have purchased or used Johnson & Johnson's Baby Powder or Shower to Shower®. The class actions allege the use of the product increases certain health risks (British Columbia) or negligence in failing to properly test, failing to warn of health risks, and failing to remove the products from the market in a timely manner (Quebec). The plaintiffs in these actions are seeking awards of general, special, compensatory and punitive damages. On November 17, 2020, the British Columbia court issued a judgment declining to certify a class as to BHC or Shower to Shower®, and at this time no appeal of that judgment has been filed. On December 16, 2021, the plaintiff in the British Columbia class action filed a Second Amended Notice of Civil Claim and Application for Certification, removing BHC as a defendant; as a result, the British Columbia class action is concluded as to BHC

Johnson & Johnson, through one or more subsidiaries has purported to have completed a Texas divisional merger with respect to any talc liabilities at Johnson & Johnson Consumer, Inc. ("JJCI"). LTL Management, LLC ("LTL"), the resulting entity of the divisional merger, assumed JJCI's talc liabilities and thereafter filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Western District of North Carolina. Pursuant to court orders entered in November 2021, the case was transferred to the United States District Court for the District of New Jersey, and substantially all cases related to Johnson & Johnson's talc liability were stayed for a period of sixty (60) days pursuant to a preliminary injunction. Notwithstanding the divisional merger and LTL's bankruptcy case, BHC and the Business continue to have indemnification claims and rights against Johnson & Johnson and LTL pursuant to the terms of the indemnification agreement entered into between JJCI and its affiliates and BHC and its affiliates, which indemnification agreement remains in effect. As a result, it is our current expectation that BHC and the Business will not incur any material impairments with respect to its indemnification claims as a result of the divisional merger or the bankruptcy. In December 2021, certain talc claimants filed motions to dismiss the bankruptcy case. Shortly thereafter, LTL filed a motion in the bankruptcy court to extend the 60-day preliminary injunction. On February 25, 2022, the bankruptcy court entered orders denying the motions to dismiss and extending the preliminary injunction staying substantially all cases subject to the indemnification agreement related to Johnson & Johnson's talc liability through at least June 29, 2022. The order denying the motions to dismiss and the order extending the preliminary injunction are subject to appeal and the appellants have requested that the bankruptcy court certify their appeals directly to the United States Court of Appeals for the Third Circuit. Further, pursuant to a court order dated March 18, 2022, the bankruptcy court directed certain talc claimants and LTL to mediate the issues related to the case in the hopes of achieving a global resolution. To the extent that any cases proceed during the pendency of the bankruptcy case, it is our expectation that Johnson & Johnson, in accordance with the indemnification agreement, will continue to vigorously defend BHC and the Business in each of the remaining actions.

General Civil Actions

U.S. Securities Litigation - New Jersey Declaratory Judgment Lawsuit

On March 24, 2022, BHC and Bausch + Lomb were named in a declaratory judgment action in the Superior Court of New Jersey, Somerset County, Chancery Division, brought by certain individual investors in BHC's common shares and debt securities who are also maintaining individual securities fraud claims against BHC and certain current or former officers and directors as part of the U.S. Securities Litigation. This newly filed state court action seeks a declaratory judgment that the transfer of BHC assets to Bausch + Lomb would constitute a voidable transfer under New Jersey's Uniform Voidable Transactions Act and that Bausch + Lomb would become liable for damages awarded against BHC in the individual opt-out actions. The declaratory judgment action alleges that a transfer of assets from BHC to Bausch + Lomb would leave BHC with inadequate financial resources to satisfy these plaintiffs' alleged securities fraud damages in the underlying individual opt-out actions. None of the plaintiffs in this declaratory judgment action have obtained a judgment against BHC in the underlying individual opt-out actions and BHC disputes the claims against it in those underlying actions. The underlying individual opt-out actions assert claims under Sections 10(b) and 20(a) of the Exchange Act, and certain actions assert claims under Section 18 of the Exchange Act. The allegations in those underlying individual opt out actions are made against BHC and several of its former officers and directors only and relate to, among other things, allegedly false and misleading statements made during the 2013-2016 time period by BHC and/or failures to disclose information about BHC's business and prospects including relating to drug pricing and the use of specialty pharmacies. Both BHC and Bausch + Lomb dispute the claims in this declaratory judgment action and intend to vigorously defend this matter.

California Proposition 65 Related Matter

On January 29, 2020, Plaintiff Jan Graham filed a lawsuit (Graham v. Bausch Health Companies, Inc., et al., Case No. 20STCV03578) in Los Angeles County Superior Court against BHC, Bausch Health US (as defined below) and several other manufacturers, distributors and retailers of talcum powder products, alleging violations of California Proposition 65 by manufacturing and distributing talcum powder products containing chemicals listed under the statute, without a compliant warning on the label. On January 29, 2021, certain defendants including BHC and Bausch Health US filed a Motion for Summary Judgment or in the Alternative Motion for Summary Adjudication, which was granted with prejudice on May 26, 2021; Plaintiff waived the right to appeal.

On June 19, 2019, plaintiffs filed a proposed class action in California state court against Bausch Health US and Johnson & Johnson (Gutierrez, et al. v. Johnson & Johnson, et al., Case No. 37-2019-00025810-CU-NP-CTL), asserting claims for purported violations of the California Consumer Legal Remedies Act, False Advertising Law and Unfair Competition Law in connection with their sale of talcum powder products that the plaintiffs allege violated Proposition 65 and/or the California Safe Cosmetics Act. This lawsuit was served on Bausch Health US in June 2019 and was subsequently removed to the United States District Court for the Southern District of California, where it is currently pending. Plaintiffs seek damages, disgorgement of profits, injunctive relief, and reimbursement/restitution. BHC filed a motion to dismiss Plaintiffs' claims, which was granted in April 2020 without prejudice. In May 2020, Plaintiffs filed an amended complaint and in June 2020, filed a motion for leave to amend the complaint further, which was granted. In August 2020, Plaintiffs filed the Fifth Amended Complaint. On January 22, 2021, the Court granted the motion to dismiss with prejudice. On February 19, 2021, Plaintiffs filed a Notice of Appeal with the Ninth Circuit Court of Appeals. On July 1, 2021, Appellants (Plaintiffs) filed their opening brief; Appellees' response briefs were filed October 8, 2021. This matter was stayed by the Ninth Circuit on December 7, 2021, due to the preliminary injunction entered by the bankruptcy court in the LTL bankruptcy proceeding. This stay included Appellants' reply brief deadline, which was previously due to be filed on or before December 2, 2021. On March 9, 2022, the Ninth Circuit issued an order extending the stay through July 29, 2022.

BHC and Bausch Health US dispute the claims against them and this lawsuit will be defended vigorously.

New Mexico Attorney General Consumer Protection Action

BHC and Bausch Health US were named in an action brought by State of New Mexico ex rel. Hector H. Balderas, Attorney General of New Mexico, in the County of Santa Fe New Mexico First Judicial District Court (New Mexico ex rel. Balderas v. Johnson & Johnson, et al., Civil Action No. D-101-CV-2020-00013, filed on January 2, 2020), alleging consumer protection claims against Johnson & Johnson and Johnson & Johnson Consumer Companies, Inc., BHC and Bausch Health US related to Shower to Shower® and its alleged causal link to mesothelioma and other cancers. In April 2020, Bausch Health US filed a motion to dismiss, which in September 2020, the Court granted in part as to the New Mexico Medicaid Fraud Act and

New Mexico Fraud Against Taxpayers Act claims and denied as to all other claims The State of New Mexico brings claims against all defendants under the New Mexico Unfair Practices Act and other common law and equitable causes of action, alleging defendants engaged in wrongful marketing, sale and promotion of talcum powder products. The lawsuit seeks to recover the cost of the talcum powder products as well as the cost of treating asbestos-related cancers allegedly caused by those products. Bausch Health US filed its answer on November 16, 2020. On December 30, 2020 Johnson & Johnson filed a Motion for Partial Judgment on the Pleadings and on January 4, 2021, Bausch Health US filed a joinder to that motion, which was denied on March 8, 2021. Trial is scheduled to begin on March 6, 2023. BHC and Bausch Health US dispute the claims against them and this lawsuit will be defended vigorously.

Doctors Allergy Formula Lawsuit

In April 2018, Doctors Allergy Formula, LLC ("Doctors Allergy"), filed a lawsuit against Bausch Health Americas in the Supreme Court of the State of New York, County of New York, asserting breach of contract and related claims under a 2015 Asset Purchase Agreement, which purports to include milestone payments that Doctors Allergy alleges should have been paid by Bausch Health Americas. Doctors Allergy claims its damages are not less than $23 million. Bausch Health Americas has asserted counterclaims against Doctors Allergy. Bausch Health Americas filed a motion seeking an order granting Bausch Health Americas summary judgment on its counterclaims against Plaintiff and dismissing Plaintiff's claims against the Business. The motion was fully briefed as of May 2021. The Court held a hearing on the motion on January 25, 2022. The motion remains pending. Bausch Health Americas disputes the claims against it and this lawsuit will be defended vigorously.

Pre-Suit Notice and Demand Letter re Eye Drop Products

On August 31, 2021, Bausch & Lomb Incorporated ("B&L Inc.") received a pre-suit notice and demand letter pursuant to California Civil Code Section 1782, attaching a proposed Class Action Complaint (the "Notice Letter") from an attorney on behalf of an individual seeking to represent a class of purchasers of Soothe® eye drop products labeled "preservative free." The Notice Letter alleges B&L Inc. may be liable under the California Consumer Legal Remedies Act, False Advertising Law, and Unfair Competition Law in connection with, *inter alia*, the labeling and marketing of Soothe® eye drop products as "preservative-free" when they contain the alleged preservative boric acid. Pursuant to a negotiated resolution for a non-material amount with the claimant, this claimant will forego the filing of a lawsuit and the Business now considers this matter closed.

Intellectual Property Matters

PreserVision® AREDS Patent Litigation

PreserVision® AREDS and PreserVision® AREDS 2 are OTC eye vitamin formulas for those with moderate-to-advanced AMD. The PreserVision® U.S. formulation patent expired in March 2021, but a patent covering methods of using the formulation remains in force into 2026. B&L has filed patent infringement proceedings against 16 defendants claiming infringement of these patents and, in certain circumstances, related unfair competition and false advertising causes of action. Eleven of these proceedings were subsequently settled; two resulted in a default. One defendant filed a declaratory judgment action after B&L Inc. filed its suit, seeking declaratory judgment related to patent claims as well as false advertising and unfair competition claims. As of the date of this filing, there are three ongoing actions: (1) Bausch & Lomb Inc. & PF Consumer Healthcare 1 LLC v. ZeaVision LLC, C.A. No. 6:20- cv-06452-CJS (W.D.N.Y.); (2) Bausch & Lomb Inc. & PF Consumer Healthcare 1 LLC v. SBH Holdings LLC, C.A. No. 20-cv-01463-LPS (D. Del.); and (3) Bausch & Lomb Inc. & PF Consumer Healthcare 1 LLC v. Nature Made Nutritional Products et al., C.A. No. 21-cv-01030-UNA (D. Del.). The Business remains confident in the strength of these patents and B&L Inc. will continue to vigorously pursue these matters and defend its intellectual property.

Patent Litigation against Certain Ocuvite and PreserVision

On June 22, 2021, ZeaVision, LLC (“ZeaVision”) filed a complaint for patent infringement against certain of the Ocuvite® and PreserVision® products in the Eastern District of Missouri (Case No. 4:21-cv-00739-RWS). On June 29, 2021, ZeaVision amended its complaint to assert a second patent against certain of the Ocuvite® and PreserVision® products. On November 16, 2021, ZeaVision filed an additional complaint for patent infringement against certain of the Ocuvite® and PreserVision® products (Case No. 4:21-cv-01352-SEP). On March 1, 2022, the cases were consolidated. On March 10, 2022, the court granted our motion to stay all proceedings pending inter parties review. The Business disputes the claims and intends to vigorously defend this matter.

Lumify® Paragraph IV Proceedings

On August 16, 2021, B&L Inc. received a Notice of Paragraph IV Certification from Slayback Pharma LLC (“Slayback”), in which Slayback asserted that certain U.S. patents, each of which is listed in the FDA’s Orange Book for Lumify® (brimonidine tartrate solution) drops (the “Lumify Patents”), are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Slayback’s generic drops, for which an Abbreviated New Drug Application (“ANDA”) has been filed by Slayback. B&L Inc., through its affiliate Bausch + Lomb Ireland Limited, exclusively licenses the Lumify Patents from Eye Therapies, LLC (“Eye Therapies”). On September 10, 2021, B&L Inc., Bausch + Lomb Ireland Limited and Eye Therapies filed suit against Slayback pursuant to the Hatch-Waxman Act, alleging infringement by Slayback of one or more claims of the Lumify Patents, thereby triggering a 30-month stay of the approval of the Slayback ANDA.

On January 20, 2022, B&L Inc received a Notice of Paragraph IV Certification from Lupin Ltd (“Lupin”), in which Lupin asserted that certain U.S. patents, each of which is listed in the FDA’s Orange Book for Lumify® (brimonidine tartrate solution) drops (the “Lumify Patents”), are either invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of Lupin’s generic brimonidine tartrate solution, for which its ANDA No. 216716 has been filed by Lupin. On February 2, 2022, B&L Inc., Bausch + Lomb Ireland Limited and Eye Therapies filed suit against Lupin pursuant to the Hatch-Waxman Act, alleging patent infringement by Lupin of one or more claims of the Lumify Patents, thereby triggering a 30-month stay of the approval of the Lupin ANDA.

The Business remains confident in the strength of the Lumify® related patents and B&L Inc. intends to vigorously defend its intellectual property.

19. COMMITMENTS AND CONTINGENCIES

The Business has commitments related to capital expenditures of approximately $65 million as of December 31, 2021.

Under certain agreements, the Business may be required to make payments contingent upon the achievement of specific developmental, regulatory, or commercial milestones. As of December 31, 2021, the Business believes it is reasonably possible that it may potentially make milestone and license fee payments, including sales-based milestone payments, of approximately $150 million over time, in the aggregate, to third parties for products currently under development or being marketed, primarily consisting of the following:

- Under the terms of a December 2019 agreement with Novaliq GmbH, the Business has acquired an exclusive license for the commercialization and development in the U.S. and Canada of NOV03 (perfluorohexyloctane), an investigational drug to treat dry eye disease associated with Meibomian gland dysfunction and may be required to make sales-based milestone payments. The Business believes it is reasonably possible that these payments over time may approximate $48 million, in the aggregate, as well as royalties on future sales.

- Under the terms of an October 2020 agreement with Eyenovia, Inc , the Business has acquired an exclusive license in the United States and Canada for the development and commercialization of an investigational microdose formulation of atropine ophthalmic solution, which is being investigated for the reduction of pediatric myopia progression, also known as nearsightedness, in children ages 3-12. Under the terms of the agreement, the Business may be required to make development and sales-based milestone payments. The Business believes it is reasonably possible that these payments over time may approximate $35 million, in the aggregate.
- Under the terms of a May 2020 agreement with STADA Arzneimittel AG and its development partner, Xbrane Biopharma AB, to commercialize in the United States and Canada a biosimilar candidate to Lucentis (ranibizumab), the Business may be required to make development and sales-based milestone payments.

Due to the nature of these arrangements, the future potential payments related to the attainment of the specified milestones over a period of several years are inherently uncertain. As of December 31, 2021, no accruals related to the aforementioned agreements exist because the milestone targets are not yet probable of being achieved.

Indemnification Provisions

In the normal course of operations, the Business enters into agreements that include indemnification provisions for product liability and other matters. These provisions are generally subject to maximum amounts, specified claim periods and other conditions and limits. In addition, the Business is obligated to indemnify its officers and directors in respect of any legal claims or actions initiated against them in their capacity as officers and directors of the Business in accordance with applicable law. Pursuant to such indemnities, the Business is indemnifying certain former officers and directors in respect of certain litigation and regulatory matters. As of December 31, 2021 and 2020, no material amounts were accrued for the Business' obligations under these indemnification provisions.

20. SEGMENT INFORMATION

Reportable Segments

Bausch + Lomb has historically operated as part of BHC, reported under BHC's segment structure and historically the CODM was the CODM of BHC. As the Business is transitioning into an independent, publicly traded company, BHC's CEO, who is the Business' CODM, evaluated how to view and measure the Business' performance. This evaluation necessitated a realignment of the Business' historical segment structure, and during the second quarter of 2021, Bausch + Lomb determined it is organized into three operating segments, which are also its reportable segments. This realignment is consistent with how the CODM: (i) assesses operating performance on a regular basis, (ii) makes resource allocation decisions and (iii) designates responsibilities of his direct reports. Pursuant to these changes, effective in the second quarter of 2021, the Business operates in the following reportable segments which are generally determined based on the decision-making structure of the Business and the grouping of similar products and services: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical. Prior period presentations have been recast to conform to the current segment reporting structure.

- ***The Vision Care / Consumer Health Care segment*** consists of: (i) sales of contact lenses that span the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses and (ii) sales of contact lens care products and over-the-counter ("OTC") eye drops, eye vitamins and mineral supplements that address various conditions including eye allergies, conjunctivitis and dry eye.
- ***The Ophthalmic Pharmaceuticals segment*** consists of sales of a broad line of proprietary and generic pharmaceutical products for post-operative treatments and the treatment of a number of eye conditions such as glaucoma, ocular hypertension and retinal diseases and contact lenses that are indicated for therapeutic use and can also provide optical correction during healing if required.

- ***The Surgical segment*** consists of sales of tools and technologies for the treatment of cataracts, and vitreous and retinal eye conditions and includes intraocular lenses and delivery systems, phacoemulsification equipment and other surgical instruments and devices.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, Asset impairments, In-process research and development costs, Restructuring and integration costs, Acquisition-related contingent consideration costs and Other expense (income), net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance.

Corporate includes the finance, treasury, certain research and development programs, tax and legal operations of Bausch + Lomb's businesses and incurs certain expenses, gains and losses related to the overall management of the Business, which are not allocated to the other business segments. In assessing segment performance and managing operations, management does not review segment assets. Furthermore, a portion of share-based compensation is considered a corporate cost, since the amount of such expense depends on company-wide performance rather than the operating performance of any single segment.

Segment Revenues and Profit

Segment revenues and profits for the years 2021, 2020 and 2019 were as follows:

(in millions)	2021	2020	2019
Revenues:			
Vision Care/Consumer Health Care	$2,343	$2,109	$2,221
Ophthalmic Pharmaceuticals	704	726	859
Surgical	718	577	698
Total revenues	$3,765	$3,412	$3,778
Segment profit:			
Vision Care/Consumer Health Care	$ 587	$ 579	$ 606
Ophthalmic Pharmaceuticals	290	302	412
Surgical	75	18	75
Total segment profit	952	899	1,093
Corporate	(314)	(278)	(282)
Amortization of intangible assets	(292)	(323)	(348)
Other expense, net	(17)	(38)	(67)
Operating income	329	260	396
Interest income	—	3	1
Foreign exchange and other	(11)	27	2
Income before provision for income taxes	$ 318	$ 290	$ 399

Capital Expenditures

Capital expenditures paid by segment for the years 2021, 2020 and 2019 were as follows:

(in millions)	2021	2020	2019
Vision Care/Consumer Health Care	$137	$209	$139
Ophthalmic Pharmaceuticals	35	33	23
Surgical	21	11	18
	$193	$253	$180

Table of Contents

Revenues by Segment and by Product Category

The top ten products represented 34%, 33% and 31% of total product sales for the years 2021, 2020 and 2019, respectively. Revenues by segment and product category were as follows:

	Vision Care/Consumer Health Care			Ophthalmic Pharmaceuticals			Surgical			Total		
(in millions)	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Pharmaceuticals	$ 25	$ 11	$ 13	$489	$497	$611	$—	$—	$—	$ 514	$ 508	$ 624
Devices	889	752	845	—	—	—	706	562	680	1,595	1,314	1,525
OTC	1,389	1,310	1,322	—	—	—	—	—	—	1,389	1,310	1,322
Branded and Other Generics	31	27	30	208	222	228	—	—	—	239	249	258
Other revenues	9	9	11	7	7	20	12	15	18	28	31	49
	$2,343	$2,109	$2,221	$704	$726	$859	$718	$577	$698	$3,765	$3,412	$3,778

Geographic Information

Revenues are attributed to a geographic region based on the location of the customer for the years 2021, 2020 and 2019 were as follows:

(in millions)	2021	2020	2019
U.S. and Puerto Rico	$1,618	$1,558	$1,632
China	390	280	345
Japan	224	220	230
France	201	174	196
Germany	149	137	144
Russia	116	102	138
United Kingdom	111	84	107
Canada	101	92	95
Spain	80	66	81
Italy	75	67	80
South Korea	46	48	51
Poland	42	36	38
Mexico	40	32	41
Other	572	516	600
	$3,765	$3,412	$3,778

Long-lived assets consisting of property, plant and equipment, net of accumulated depreciation, are attributed to geographic regions based on their physical location as of December 31, 2021 and 2020 were as follows:

(in millions)	2021	2020
U S and Puerto Rico	$ 604	$ 572
Ireland	331	326
Germany	85	77
Canada	59	44
France	39	34
China	29	29
Italy	21	23
Spain	12	10
Other	45	49
	$1,225	$1,164

Table of Contents

Major Customers

No individual customer accounted for 10% or more of total revenues.

21. PRO FORMA EARNINGS PER SHARE (UNAUDITED)

The Business has historically operated as part of BHC, such that BHC's cumulative interest in the assets and liabilities of the Business, inclusive of operating results, is presented as BHC investment on the Combined Balance Sheets, such that there was no related earnings per share. The unaudited pro forma basic income per share and pro forma basic common shares outstanding is based on the number of common shares of Bausch + Lomb expected to be outstanding immediately following the effectiveness of the initial public offering. The number of shares used to compute pro forma diluted income per share equals the number of basic common shares of Bausch + Lomb, as replacement Bausch + Lomb awards will not be issued to current BHC stock awards holders as part of the Separation; such awards will be issued contingently only upon the Distribution, as defined within the front of this Prospectus.

(in millions, except per share amounts)

	2021	2020	2019
Net income (loss) attributable to Bausch + Lomb	$ 182	$ (18)	$ 298
Pro forma basic and diluted weighted-average common shares	350,000,000	350,000,000	350,000,000
Pro forma basic and diluted loss per share attributable to Bausch + Lomb	0.52	(0.05)	0.85

Table of Contents

35,000,000 Common Shares

BAUSCH + LOMB

Bausch + Lomb Corporation

PRELIMINARY PROSPECTUS

Morgan Stanley

Goldman Sachs & Co. LLC

Citigroup

J.P. Morgan

Barclays

BofA Securities

Guggenheim Securities

Jefferies

Evercore ISI

Wells Fargo Securities

Deutsche Bank Securities

DNB Markets

HSBC

Truist Securities

AmeriVet Securities
Loop Capital Markets
Ramirez & Co., Inc.
R. Seelaus & Co., LLC
Siebert Williams Shank
Stern

, 2022

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

	Amount to Be Paid
SEC registration fee	$ 89,549
Canadian securities regulatory filing fees*	17,783
FINRA filing fee	145,400
NYSE listing fee	295,000
TSX filing fee*	157,010
Transfer agent's fees*	117,758
Printing and engraving expenses	400,000
Legal fees and expenses	17,000,000
Accounting fees and expenses	18,302,000
Miscellaneous	475,500
Total	$ 37,000,000

* Amounts in Canadian dollars were converted to U.S. dollars in accordance with the exchange rate calculated on the Bank of Canada daily exchange rate on April 25, 2022

Each of the amounts set forth above, other than the SEC registration fee, the Canadian securities regulatory filing fees, the FINRA filing fee, the NYSE listing fee and the TSX filing fee, is an estimate.

Item 14. Indemnification of Directors and Officers

Under Section 124 of the CBCA, we may indemnify a present or former director or officer of the Company or another individual who acts or acted at our request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Company or other entity. We may not indemnify an individual unless the individual (i) acted honestly and in good faith with a view to the best interests of the Company, or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at our request, and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct was lawful. The aforementioned individuals are entitled to the indemnification described above from us as a matter of right if they were not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and if the individual fulfills conditions (i) and (ii) above. We may advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding; however, the individual shall repay the moneys if the individual does not fulfill the conditions set out in (i) and (ii) above. The indemnification or the advance of any moneys may be made in connection with a derivative action only with court approval and only if the conditions in (i) and (ii) above are met. Under the CBCA, we may purchase and maintain insurance for the benefit of any of the aforementioned individuals against any liability incurred by the individual in their capacity as a director or officer of the Company, or in their capacity as a director or officer, or similar capacity, of another entity, if the individual acted in such capacity at our request.

Our by-laws will also provide that, subject to any restrictions in the CBCA, we may indemnify any person. Our by-laws will further provide that, subject to the limitations contained in the CBCA, we may purchase and maintain insurance for the benefit of any person eligible for indemnification under the Articles. We expect that our Articles will contain substantially similar provision upon and subject to completion of the Continuance.

We maintain insurance for certain liabilities incurred by its directors and officers in their capacity with the Company or its subsidiaries. The underwriting agreement(s) that we may enter into may provide for