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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-41380

Bausch + Lomb Corporation
(Exact name of registrant as specified in its charter)

Canada	**98-1613662**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

520 Applewood Crescent, Vaughan, Ontario, Canada L4K 4B4
(Address of Principal Executive Offices) (Zip Code)

(905) 695-7700
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered	
Common Shares, No Par Value	**BLCO**	**New York Stock Exchange**	**Toronto Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common shares, no par value — 351,895,407 shares outstanding as of July 24, 2024.

BAUSCH + LOMB CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024

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BAUSCH + LOMB CORPORATION
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FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024

Introductory Note

Except where the context otherwise requires, all references in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (this "Form 10-Q") to the "Company", "Bausch + Lomb", "we", "us", "our" or similar words or phrases are to Bausch + Lomb Corporation and its subsidiaries, taken together. In this Form 10-Q, references to "$" are to United States ("U.S.") dollars and references to "€" are to euros. Unless otherwise indicated, the statistical and financial data contained in this Form 10-Q are presented as of June 30, 2024.

Forward-Looking Statements

Caution regarding forward-looking information and statements and "Safe-Harbor" statements under the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws:

To the extent any statements made in this Form 10-Q contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things: our business strategy, business plans, business prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, expected launches of new products, product development and results of current and anticipated products; anticipated revenues for our products, including XIIDRA®; expected R&D and marketing spend; our expected primary cash and working capital requirements for the remainder of 2024 and beyond; our plans for continued improvement in operational efficiency and the anticipated impact of such plans; expected risks of loss of patent or regulatory exclusivity; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to comply with the covenants contained in our credit agreement, as amended, (the "Amended Credit Agreement") and in the indenture governing our October 2028 Secured Notes (as defined below); any proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings; the anticipated impact of the adoption of new accounting standards; general market conditions and economic uncertainty; our expectations regarding our financial performance, including our future financial and operating performance, revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the anticipated effect of current market conditions and recessionary pressures in one or more of our markets; the anticipated effect of macroeconomic factors, including inflation; the anticipated impact from the ongoing conflicts between Russia and Ukraine and in the Middle East involving Israel and Hamas; and the anticipated separation from Bausch Health Companies Inc. ("BHC"), including the structure and expected timetable for completing such separation transaction.

Forward-looking statements can generally be identified by the use of words such as "believe," "anticipate," "expect," "intend," "estimate," "plan," "schedule," "continue," "future," "will," "may," "can," "might," "could," "would," "should," "target," "potential," "opportunity," "designed," "create," "predict," "project," "timeline," "forecast," "outlook," "guidance," "seek," "strive," "suggest," "prospective," "strategy," "indicative," "intend," "ongoing," "decrease" or "increase" and positive and negative variations thereof or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have previously indicated certain of these statements set out herein, all of the statements in this Form 10-Q that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including, but not limited to, factors and assumptions regarding the items previously outlined, those factors, risks and uncertainties outlined below and the assumption that none of these factors, risks and uncertainties will cause actual results or events to differ materially from those described in such forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Important factors, risks and uncertainties that could cause actual results to differ materially from these expectations include, among other things, the following:

- *adverse economic conditions and other macroeconomic factors, including inflation, slower growth or a potential recession, which could adversely impact our revenues, expenses and resulting margins;*
- *the effect of current market conditions and recessionary pressures in one or more of our markets;*

- *the challenges the Company faces following its initial public offering (the "B+L IPO"), including the challenges and difficulties associated with managing an independent, complex business, the transitional services being provided by and to BHC, and any potential, actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in BHC and/or because they also serve as directors of BHC;*
- *our status as a controlled company, and the possibility that BHC's interest may conflict with our interests and the interests of our other securityholders and other stakeholders;*
- *the risks and uncertainties associated with the proposed plan to separate or spinoff Bausch + Lomb from BHC, which include, but are not limited to, the expected benefits and costs of the spinoff transaction, the expected timing of completion of the spinoff transaction and its terms (including the expectation that the spinoff transaction will be completed following the achievement of targeted debt leverage ratios, subject to receipt of applicable shareholder and other necessary approvals and other factors, including those factors described in BHC's public filings), the ability to complete the spinoff transaction considering the various conditions to the completion of the spinoff transaction (some of which are outside the Company's and BHC's control, including conditions related to regulatory matters and receipt of applicable shareholder approvals), the impact of any potential sales of our common shares by BHC, that market or other conditions are no longer favorable to completing the transaction, that applicable shareholder, stock exchange, regulatory or other approval is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of, or following, the spinoff transaction, diversion of management time on spinoff transaction-related issues, retention of existing management team members, the reaction of customers and other parties to the spinoff transaction, the structure of the spinoff transaction and related distribution, the qualification of the spinoff transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from the Canada Revenue Agency and/or the Internal Revenue Service will be sought or obtained), the ability of the Company and BHC to satisfy the conditions required to maintain the tax-free status of the spinoff transaction (some of which are beyond their control), other potential tax or other liabilities that may arise as a result of the spinoff transaction, the potential dis-synergy costs resulting from the spinoff transaction, the impact of the spinoff transaction on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets the Company is engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting the Company's business. In particular, the Company can offer no assurance that any spinoff transaction will occur at all, or that any such transaction will occur on the timelines or in the manner anticipated by the Company and BHC;*
- *ongoing litigation and potential additional litigation, claims, challenges and/or regulatory investigations challenging or otherwise relating to the B+L IPO and the proposed separation from BHC and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;*
- *pricing decisions that we have implemented or may in the future elect to implement at the direction of our pricing committees or otherwise;*
- *legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines and other products, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);*
- *ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the "FDA") and equivalent agencies outside of the United States and the results thereof;*
- *actions by the FDA or other regulatory authorities with respect to our products or facilities;*
- *compliance with the legal and regulatory requirements of our marketed products;*
- *our ability to comply with the financial and other covenants contained in our Amended Credit Agreement, the indenture governing our October 2028 Secured Notes and other current or future debt agreements, including the limitations, restrictions and prohibitions such covenants may impose on the way we conduct our business, including prohibitions on incurring additional debt if certain financial covenants are not met, our ability to draw under the revolving credit facility under our Amended Credit Agreement (the "Revolving Credit Facility") and restrictions on our ability to make certain investments and other restricted payments;*
- *any downgrade or additional downgrade by rating agencies in our or BHC's credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;*

- *changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;*
- *the risks and uncertainties relating to the acquisition of XIIDRA ® and certain other ophthalmology assets (the "XIIDRA Acquisition"), including risks that we may not realize the expected benefits of the acquisition on a timely basis or at all and risks relating to our increased levels of debt as a result of debt incurred to finance such acquisition;*
- *the uncertainties associated with the acquisition and launch of new products, assets and businesses (including the recently-acquired XIIDRA® product and Blink® product line and our recently launched MIEBO ® product), including, but not limited to, our ability to provide the time, resources, expertise and funds required for the commercial launch of new products, the acceptance and demand for new products, the failure to obtain required regulatory approvals, clearances or authorizations, and the impact of competitive products and pricing, which could lead to material impairment charges;*
- *our ability or inability to extend the profitable life of our products, including through line extensions and other life-cycle programs;*
- *our ability to manage the transition to our new Chairman and Chief Executive Officer and other new executive officers and key employees, the success of such individuals in assuming their respective roles and the ability of such individuals to implement and achieve the strategies and goals of the Company as they develop;*
- *our ability to retain, motivate and recruit executives and other key employees;*
- *our ability to implement effective succession planning for our executives and other key employees;*
- *factors impacting our ability to achieve anticipated revenues for our products, including changes in anticipated marketing spend on such products and launch of competing products;*
- *factors impacting our ability to achieve anticipated market acceptance for our products, including the pricing of such products, effectiveness of promotional efforts, reputation of our products and launch of competing products;*
- *our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;*
- *the extent to which our products are reimbursed by government authorities, pharmacy benefit managers ("PBMs") and other third-party payors; the impact our distribution, pricing and other practices may have on the decisions of such government authorities, PBMs and other third-party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;*
- *the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;*
- *the consolidation of wholesalers, retail drug chains and other customer groups and the impact of such industry consolidation on our business;*
- *our ability to maintain strong relationships with physicians and other health care professionals;*
- *our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;*
- *the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting, including the global minimum corporate tax rate, by the countries in which we operate;*
- *the actions of our third-party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on us;*
- *the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions, laws and regulations);*

- *adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;*
- *trade conflicts, including current and future trade disputes between the United States and China;*
- *risks associated with the ongoing conflict between Russia and Ukraine and the export controls, sanctions and other restrictive actions that have been or may be imposed by the United States, Canada, the EU and other countries against governmental and other entities and individuals in or associated with Russia, Belarus and parts of Ukraine, including its potential escalation and the potential impact on sales, earnings, market conditions and the ability of the Company to manage resources and historical investment in Russia;*
- *risks associated with the ongoing conflict in the Middle East involving Israel and Hamas, including its potential escalation and the potential impact on our operations, sale of products and revenues in this region;*
- *our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;*
- *the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;*
- *the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, examinations, reviews and regulatory proceedings against us or relating to us and settlements thereof;*
- *our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;*
- *the disruption of delivery of our products and the routine flow of manufactured goods;*
- *potential work stoppages, slowdowns or other labor problems at our facilities and the resulting impact on our manufacturing, distribution and other operations;*
- *economic factors over which we have no control, including inflationary pressures as a result of historically high domestic and global inflation and otherwise, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;*
- *interest rate risks associated with our floating rate debt borrowings;*
- *our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements;*
- *our ability to effectively promote our own products and those of our co-promotion partners;*
- *our ability to secure and maintain third-party research, development, manufacturing, licensing, marketing or distribution arrangements;*
- *the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;*
- *the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;*
- *the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third-party insurance or self-insurance;*
- *our indemnity agreements, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material;*
- *the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada, the European Medicines Agency ("EMA") and similar agencies in other jurisdictions, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;*
- *the results of continuing safety and efficacy studies by industry and government agencies;*

- *the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;*
- *uncertainties around the successful improvement and modification of our existing products and development of new products, which may require significant expenditures and efforts;*
- *the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;*
- *the seasonality of sales of certain of our products;*
- *declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;*
- *compliance by us or our third-party partners and service providers (over whom we may have limited influence), or the failure by us or these third parties to comply, with health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;*
- *the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") and any potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;*
- *the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to us and our businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to us or our businesses or products;*
- *the impact of changes in federal laws and policy that may be undertaken under the Biden administration;*
- *illegal distribution or sale of counterfeit versions of our products;*
- *interruptions, breakdowns or breaches in our information technology systems; and*
- *risks in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators (the "CSA") on February 21, 2024 and risks detailed from time to time in our other filings with the SEC and the CSA, as well as our ability to anticipate and manage the risks associated with the foregoing.*

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 21, 2024, under Item 1A. "Risk Factors" and in the Company's other filings with the SEC and the CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BAUSCH + LOMB CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)
(Unaudited)

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 285	$ 331
Restricted cash	17	3
Trade receivables, net	986	839
Inventories, net	1,069	1,028
Prepaid expenses and other current assets (Note 4)	412	541
Total current assets	2,769	2,742
Property, plant and equipment, net	1,430	1,390
Intangible assets, net	3,437	3,589
Goodwill	4,538	4,575
Deferred tax assets, net	827	921
Other non-current assets (Note 4)	249	225
Total assets	$ 13,250	$ 13,442
Liabilities		
Current liabilities:		
Accounts payable (Note 4)	$ 405	$ 522
Accrued and other current liabilities	1,241	1,027
Current portion of long-term debt	30	30
Total current liabilities	1,676	1,579
Deferred tax liabilities, net	14	14
Other non-current liabilities	378	397
Long-term debt	4,602	4,532
Total liabilities	6,670	6,522
Commitments and contingencies (Note 16)		
Equity		
Common shares, no par value, unlimited shares authorized, 351,834,173 and 350,913,804 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	8,382	8,349
Accumulated deficit	(572)	(254)
Accumulated other comprehensive loss	(1,306)	(1,245)
Total Bausch + Lomb Corporation shareholders' equity	6,504	6,850
Noncontrolling interest	76	70
Total equity	6,580	6,920
Total liabilities and equity	$ 13,250	$ 13,442

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

BAUSCH + LOMB CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenues				
Product sales	$ 1,213	$ 1,031	$ 2,307	$ 1,959
Other revenues	3	4	8	7
	1,216	1,035	2,315	1,966
Expenses				
Cost of goods sold (excluding amortization and impairments of intangible assets)	482	417	905	788
Cost of other revenues	1	—	2	1
Selling, general and administrative (Note 4)	535	417	1,039	835
Research and development	84	85	166	162
Amortization of intangible assets	74	56	148	113
Other expense, net	14	17	23	26
	1,190	992	2,283	1,925
Operating income	26	43	32	41
Interest income	3	5	6	8
Interest expense	(102)	(58)	(201)	(108)
Foreign exchange and other	(3)	(9)	(3)	(15)
Loss before provision for income taxes	(76)	(19)	(166)	(74)
Provision for income taxes	(72)	(10)	(145)	(43)
Net loss	(148)	(29)	(311)	(117)
Net income attributable to noncontrolling interest	(3)	(3)	(7)	(5)
Net loss attributable to Bausch + Lomb Corporation	$ (151)	$ (32)	$ (318)	$ (122)
Basic and diluted loss per share attributable to Bausch + Lomb Corporation	$ (0.43)	$ (0.09)	$ (0.90)	$ (0.35)
Basic and diluted weighted-average common shares	351.8	350.5	351.5	350.3

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

BAUSCH + LOMB CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net loss	$ (148)	$ (29)	$ (311)	$ (117)
Other comprehensive loss				
Foreign currency translation adjustment	(21)	(10)	(62)	11
Pension and postretirement benefit plan adjustments, net of income taxes	1	1	—	(1)
Other comprehensive (loss) income	(20)	(9)	(62)	10
Comprehensive loss	(168)	(38)	(373)	(107)
Comprehensive income attributable to noncontrolling interest	(6)	(3)	(6)	(4)
Comprehensive loss attributable to Bausch + Lomb Corporation	$ (174)	$ (41)	$ (379)	$ (111)

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

BAUSCH + LOMB CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in millions)
(Unaudited)

	Common Shares		Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Bausch + Lomb Corporation Shareholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount						
	Three Months Ended June 30, 2024							
Balances, April 1, 2024	**351.4**	**$ —**	**$ 8,363**	**$ (421)**	**$ (1,283)**	**$ 6,659**	**$ 70**	**$ 6,729**
Common shares issued under share-based compensation plans	0.4	—	—	—	—	—	—	—
Share-based compensation	—	—	22	—	—	22	—	22
Employee withholding taxes related to share-based awards	—	—	(3)	—	—	(3)	—	(3)
Net (loss) income	—	—	—	(151)	—	(151)	3	(148)
Other comprehensive (loss) income	—	—	—	—	(23)	(23)	3	(20)
Balances, June 30, 2024	**351.8**	**$ —**	**$ 8,382**	**$ (572)**	**$ (1,306)**	**$ 6,504**	**$ 76**	**$ 6,580**
	Three Months Ended June 30, 2023							
Balances, April 1, 2023	**350.2**	**$ —**	**$ 8,305**	**$ (84)**	**$ (1,238)**	**$ 6,983**	**$ 69**	**$ 7,052**
Common shares issued under share-based compensation plans	0.3	—	—	—	—	—	—	—
Share-based compensation	—	—	18	—	—	18	—	18
Employee withholding taxes related to share-based awards	—	—	(2)	—	—	(2)	—	(2)
Net (loss) income	—	—	—	(32)	—	(32)	3	(29)
Other comprehensive loss	—	—	—	—	(9)	(9)	—	(9)
Balances, June 30, 2023	**350.5**	**$ —**	**$ 8,321**	**$ (116)**	**$ (1,247)**	**$ 6,958**	**$ 72**	**$ 7,030**
	Six Months Ended June 30, 2024							
Balances, January 1, 2024	**350.9**	**$ —**	**$ 8,349**	**$ (254)**	**$ (1,245)**	**$ 6,850**	**$ 70**	**$ 6,920**
Common shares issued under share-based compensation plans	0.9	—	—	—	—	—	—	—
Share-based compensation	—	—	41	—	—	41	—	41
Employee withholding taxes related to share-based awards	—	—	(8)	—	—	(8)	—	(8)
Net (loss) income	—	—	—	(318)	—	(318)	7	(311)
Other comprehensive loss	—	—	—	—	(61)	(61)	(1)	(62)
Balances, June 30, 2024	**351.8**	**$ —**	**$ 8,382**	**$ (572)**	**$ (1,306)**	**$ 6,504**	**$ 76**	**$ 6,580**
	Six Months Ended June 30, 2023							
Balances, January 1, 2023	**350.0**	**$ —**	**$ 8,285**	**$ 6**	**$ (1,258)**	**$ 7,033**	**$ 68**	**$ 7,101**
Common shares issued under share-based compensation plans	0.5	—	—	—	—	—	—	—
Share-based compensation	—	—	42	—	—	42	—	42
Employee withholding taxes related to share-based awards	—	—	(6)	—	—	(6)	—	(6)
Net (loss) income	—	—	—	(122)	—	(122)	5	(117)
Other comprehensive income (loss)	—	—	—	—	11	11	(1)	10
Balances, June 30, 2023	**350.5**	**$ —**	**$ 8,321**	**$ (116)**	**$ (1,247)**	**$ 6,958**	**$ 72**	**$ 7,030**

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

BAUSCH + LOMB CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Cash Flows From Operating Activities		
Net loss	$ (311)	$ (117)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of intangible assets	220	184
Amortization and write-off of debt premiums, discounts and issuance costs	10	6
Asset impairments	5	—
Allowances for losses on trade receivables and inventories	12	10
Deferred income taxes	68	(19)
Gain on sale of assets	(5)	—
Share-based compensation	41	42
Foreign exchange gain	4	9
Gain excluded from hedge effectiveness	(6)	(6)
Amortization of interim contract and inventory step-up resulting from acquisitions	40	—
Other	(19)	(2)
Changes in operating assets and liabilities:		
Trade receivables	(166)	(74)
Inventories	(113)	(82)
Prepaid expenses and other current assets	137	(34)
Accounts payable, accrued and other liabilities	139	3
Net cash provided by (used in) operating activities	56	(80)
Cash Flows From Investing Activities		
Acquisitions and other investments	(2)	(34)
Purchases of property, plant and equipment	(139)	(64)
Purchases of marketable securities	(5)	(11)
Proceeds from sale of marketable securities	7	10
Proceeds from sale of assets and businesses, net of costs to sell	2	1
Interest settlements from cross-currency swaps	6	6
Net cash used in investing activities	(131)	(92)
Cash Flows From Financing Activities		
Issuance of long-term debt, net of discounts	125	200
Repayments of debt	(65)	(13)
Payment of employee withholding taxes related to share-based awards	(8)	(6)
Net cash provided by financing activities	52	181
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(9)	3
Net (decrease) increase in cash and cash equivalents and restricted cash	(32)	12
Cash and cash equivalents and restricted cash, beginning of period	334	380
Cash and cash equivalents and restricted cash, end of period	$ 302	$ 392
Non-cash Investing and Financing Activities		
Accrued purchases of property, plant and equipment	$ 49	$ 26

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

BAUSCH + LOMB CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS

Overview

Bausch + Lomb Corporation ("Bausch + Lomb" or the "Company") 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 Company operates in three reportable segments: (i) Vision 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) Pharmaceuticals segment which consists of a broad line of proprietary and generic 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, instruments and technologies for the treatment of cataracts, corneal and vitreous and retinal eye conditions, which includes intraocular lenses ("IOLs") and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for ophthalmic surgery. See Note 17, "SEGMENT INFORMATION" for additional information regarding these reportable segments. Bausch + Lomb is a subsidiary of Bausch Health Companies Inc. ("BHC"), with BHC holding, directly or indirectly, approximately 88.2% of the issued and outstanding common shares of Bausch + Lomb as of July 24, 2024.

Separation of Bausch + Lomb from BHC

On August 6, 2020, BHC announced its plan to separate Bausch + Lomb into an independent, publicly traded company, separate from the remainder of BHC (the "Separation"), commencing with an initial public offering of Bausch + Lomb's common shares (as further described below). Prior to January 1, 2022, Bausch + Lomb had nominal assets and liabilities. In connection with the B+L IPO (as defined below), BHC transferred to Bausch + Lomb, in a series of steps, all the entities, assets, liabilities and obligations that Bausch + Lomb held upon completion of the B+L IPO pursuant to a Master Separation Agreement (the "MSA") with BHC.

The registration statement related to the initial public offering (the "IPO") of Bausch + Lomb's common shares (the "B+L IPO") was declared effective on May 5, 2022, and Bausch + Lomb's common shares began trading on the New York Stock Exchange and the Toronto Stock Exchange, in each case under the ticker symbol "BLCO", on May 6, 2022. Bausch + Lomb also obtained a final receipt to its Canadian base PREP prospectus on May 5, 2022. Prior to the B+L IPO, Bausch + Lomb was a wholly-owned subsidiary of BHC. As of July 24, 2024, BHC directly or indirectly held 310,449,643 common shares of Bausch + Lomb, which represented approximately 88.2% of the issued and outstanding common shares of Bausch + Lomb.

The completion of the full Separation of Bausch + Lomb, which includes the transfer of all or a portion of BHC's remaining direct or indirect equity interest in Bausch + Lomb to its shareholders (the "Distribution"), is subject to the achievement of targeted debt leverage ratios and the receipt of applicable shareholder and other necessary approvals and other factors and is subject to various risk factors relating to the Separation. Bausch + Lomb understands that BHC continues to believe that completing the Separation makes strategic sense and that BHC continues to evaluate all relevant factors and considerations related to completing the Separation, including those factors described in BHC's public filings.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited financial statements for all periods presented are referred to as “Condensed Consolidated Financial Statements”, and have been prepared by the Company in United States (“U.S.”) dollars and in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial reporting and pursuant to the rules and regulations for reporting on Form 10-Q, which do not conform in all respects to the requirements of U.S. GAAP for annual financial statements. Accordingly, certain information and disclosures required by U.S. GAAP for complete Consolidated Financial Statements are not included herein. Accordingly, these notes to the unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements prepared in accordance with U.S. GAAP that are contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (“SEC”) and the Canadian Securities Administrators (the “CSA”) on February 21, 2024. The unaudited Condensed Consolidated Financial Statements have been prepared using accounting policies that are consistent with the policies used in preparing the Company’s audited Consolidated Financial Statements for the year ended December 31, 2023. The unaudited Condensed Consolidated Financial Statements reflect all normal and recurring adjustments necessary for a fair statement of the Company’s financial position and results of operations for the interim periods. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

Following the B+L IPO, certain functions that BHC provided to Bausch + Lomb prior to the B+L IPO were provided and, in some limited cases, continue to be provided to Bausch + Lomb by BHC under a Transition Services Agreement (the “TSA”) or are performed using Bausch + Lomb’s own resources or third-party service providers. Bausch + Lomb has incurred certain costs in its establishment as a standalone public company, and expects additional ongoing costs associated with operating as an independent, publicly traded company. See Note 4, “RELATED PARTIES” for further information regarding agreements between Bausch + Lomb and BHC.

Use of Estimates

In preparing the unaudited Condensed Consolidated 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 certain global macroeconomic conditions, including, but not limited to, those related to inflation and supply chain, will have on the Company's operations and cash flows. The estimates and assumptions used by the Company 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.

All estimates in these Condensed Consolidated Financial Statements are based on assumptions that management believes are reasonable. On an ongoing basis, management reviews its estimates to ensure that these estimates appropriately reflect changes in the Company's business and new information as it becomes available. If historical experience and other factors used by management to make these estimates do not reasonably reflect future activity, the Company's business, financial condition, cash flows and results of operations could be materially impacted.

Adoption of New Accounting Standards

There were no new accounting standards adopted during the six months ended June 30, 2024.

Recently Issued Accounting Standards, Not Adopted as of June 30, 2024

In November 2023, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU expands public entities’ segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. The ASU is effective for the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and subsequent interim periods, with early adoption permitted. Retrospective application is required for all periods presented in the financial statements. The Company is currently evaluating the impact of adopting this ASU on its disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. The ASU is effective for the Company's Annual Report on Form 10-K for fiscal year ended December 31, 2025. Early adoption is permitted and may be applied prospectively or retrospectively. The Company is currently evaluating the impact of adoption of this ASU on its disclosures.

3. REVENUE RECOGNITION

Revenue Recognition

The Company's 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, IOLs 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 17, "SEGMENT INFORMATION" for the disaggregation of revenues.

The Company recognizes revenue when the customer obtains control of promised goods or services and in an amount that reflects the consideration to which the Company expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, the Company 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 the Company's customers exists for each product sale. Where a contract with a customer contains more than one performance obligation, the Company allocates the transaction price to each distinct performance obligation based on its relative standalone selling price. The transaction price is adjusted for variable consideration which is discussed further below. The Company 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 U.S., 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. IOLs 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. IOLs 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 Company's 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 tables present the activity and ending balances of the Company's variable consideration provisions for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30, 2024					
(in millions)	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balance, January 1, 2024	$ 141	$ 66	$ 226	$ 67	$ 18	$ 518
Current period provision	208	48	688	318	37	1,299
Payments and credits	(215)	(36)	(481)	(323)	(25)	(1,080)
Reserve balance, June 30, 2024	$ 134	$ 78	$ 433	$ 62	$ 30	$ 737

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately $ 39 million and $35 million as of June 30, 2024 and January 1, 2024, respectively, which are reflected as a reduction of Trade receivables, net in the Condensed Consolidated Balance Sheets. For the six months ended June 30, 2024, included in Payments and credits in the table above, are payments made, or to be made, by Novartis, on behalf of the Company, in accordance with the agreements associated with the XIIDRA Acquisition (as defined below).

	Six Months Ended June 30, 2023					
(in millions)	Discounts and Allowances	Returns	Rebates	Chargebacks	Distribution Fees	Total
Reserve balance, January 1, 2023	$ 146	$ 59	$ 188	$ 73	$ 18	$ 484
Current period provision	180	36	280	268	11	775
Payments and credits	(195)	(32)	(274)	(279)	(4)	(784)
Reserve balance, June 30, 2023	$ 131	$ 63	$ 194	$ 62	$ 25	$ 475

Included in Rebates in the table above are cooperative advertising credits due to customers of approximately $ 49 million and $35 million as of June 30, 2023 and January 1, 2023, respectively, which are reflected as a reduction of Trade receivables, net in the Condensed Consolidated Balance Sheets.

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.

Allowance for Credit Losses

An allowance is maintained for potential credit losses. The Company 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 Company generally estimates the expected credit loss on a pooled 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 six months ended June 30, 2024 and 2023 is as follows:

	Six Months Ended June 30,	
(in millions)	2024	2023
Balance, beginning of period	$ 21	$ 22
Provision	2	2
Write-offs	(1)	(1)
Foreign exchange and other	(1)	(1)
Balance, end of period	$ 21	$ 22

4. RELATED PARTIES

Prior to May 10, 2022, Bausch + Lomb had been managed and operated in the ordinary course of business with other affiliates of BHC. Accordingly, certain corporate and shared costs prior to May 10, 2022 were allocated to Bausch + Lomb and reflected as expenses in the unaudited Condensed Consolidated Financial Statements. On May 10, 2022, Bausch + Lomb became an independent publicly traded company. As of July 24, 2024, BHC directly or indirectly held 310,449,643 common shares of Bausch + Lomb, which represented approximately 88.2% of the issued and outstanding common shares of Bausch + Lomb.

Additionally, there have been no sales made to related parties for all periods presented.

Accounts Receivable and Payable

Certain transactions between Bausch + Lomb and BHC and affiliate businesses are cash-settled on a current basis and, therefore, are reflected in the Condensed Consolidated Balance Sheets. Amounts payable to BHC and its affiliates related to related party transactions were $33 million and $43 million as of June 30, 2024 and December 31, 2023, respectively, and are included within Accounts payable in the Condensed Consolidated Balance Sheets. Amounts due from BHC and its affiliates related to related party transactions were $43 million and $55 million as of June 30, 2024 and December 31, 2023, respectively, of which $24 million and $36 million are included within Prepaid expenses and other current assets and $ 19 million and $19 million are included within Other non-current assets on the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023, respectively. These amounts are inclusive of the receivables and payables associated with the separation agreements entered into in connection with the B+L IPO, as discussed below.

Separation Agreement with BHC

In connection with the completion of the B+L IPO, the Company entered into the MSA, that, together with the other agreements summarized herein, govern the relationship between BHC and the Company following the completion of the B+L IPO.

Other agreements that the Company entered into with BHC that govern aspects of Bausch + Lomb's relationship with BHC following the B+L IPO include:

- Transition Services Agreement - In connection with the completion of the B+L IPO, Bausch + Lomb has entered into the TSA 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 B+L IPO. The TSA specifies the calculation of Bausch + Lomb costs and receipts for these services. Under the TSA, Bausch + Lomb has received certain services from BHC, 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, and has also provided certain similar services to BHC. Individual services provided under the TSA have been scheduled for a specific period, generally ranging from six to twelve months, depending on the nature of the services. As of the date of this filing, a number of these transitional services have either expired or been terminated; however, a limited number of these transitional services are still being provided by the parties.
- Tax Matters Agreement - In connection with the completion of the B+L IPO, Bausch + Lomb has entered into a 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 following the B+L IPO.
- Employee Matters Agreement - In connection with the completion of the B+L IPO, Bausch + Lomb has entered into an Employee Matters Agreement with BHC that 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. During July 2024, Bausch + Lomb and BHC entered into an Amended and Restated Employee Matters Agreement which modifies the treatment of certain equity awards.

In addition to the previously discussed agreements, Bausch + Lomb has entered into certain other agreements with BHC including, but not limited to, the Intellectual Property Matters Agreement and the Real Estate Matters Agreement that provide a framework for the ongoing relationship with BHC.

Charges incurred related to the above agreements were $ 3 million and $1 million for the six months ended June 30, 2024 and 2023, respectively, and are primarily reflected within Selling, general and administrative in the Condensed Consolidated Statements of Operations.

5. ACQUISITIONS AND LICENSING AGREEMENTS

2024 Acquisitions

During July 2024, the Company, through an affiliate had acquired Trukera Medical, from its private equity owner, AccelMed Partners, and other shareholders. Trukera Medical, a U.S.-based privately held ophthalmic medical diagnostic company, commercializes ScoutPro®, a point-of-care portable device for precisely measuring osmolarity, or the salt content of a person's tears. This acquisition is expected to expand the Company's presence in the dry eye market. As this transaction closed during July 2024, the Company is still finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed.

2023 Acquisitions

Acquisition of XIIDRA®

On June 30, 2023, a wholly owned subsidiary of the Company, Bausch + Lomb Ireland Limited, entered into a Stock and Asset Purchase Agreement (the "Acquisition Agreement") with Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, "Novartis") and, solely for purposes of guaranteeing certain obligations of the acquiring entity under the Acquisition Agreement, the Company, to acquire XIIDRA® (lifitegrast ophthalmic solution) and certain other ophthalmology assets (the "XIIDRA Acquisition").

On September 29, 2023, under the terms of the Acquisition Agreement, the Company, through its affiliate, consummated the XIIDRA Acquisition for: (i) an up-front cash payment of $1,750 million, (ii) the assumption of certain pre-existing milestone payments and (iii) potential future milestone obligations. As of the acquisition date, the Company recognized contingent consideration liabilities of $34 million, in the aggregate, related to assumed pre-existing milestones and potential future milestones. The Company reassesses its acquisition-related contingent consideration liabilities each quarter for changes in fair value. See Note 6, "FAIR VALUE MEASUREMENTS" for additional information regarding the fair value assessment of the acquisition-related contingent consideration liabilities. The XIIDRA Acquisition complements Bausch + Lomb's existing dry eye franchise that includes eye and contact lens drops from the Company's consumer brand franchises and novel treatments within its pharmaceutical business, such as MIEBO® (perfluorohexyloctane ophthalmic solution). The XIIDRA Acquisition has been accounted for as a business combination under the acquisition method of accounting. The assets acquired and liabilities assumed are included within the Company's Pharmaceuticals segment.

As of the acquisition date, the Company allocated the aggregate purchase consideration of $ 1,753 million based on estimated fair values, which included recording $1,600 million of identifiable intangible assets, $130 million of other net assets, and $23 million of goodwill. See Note 4, "ACQUISITIONS AND LICENSING AGREEMENTS" in the Annual Report for additional information regarding the XIIDRA Acquisition, including further detail regarding the assets acquired and liabilities assumed. The valuation of the assets acquired and liabilities assumed, as part of the XIIDRA Acquisition, has not yet been finalized as of June 30, 2024. The areas that could be subject to change primarily relate to income tax matters. The Company will finalize these amounts no later than one year from the acquisition date.

Acquisition of Blink® Product Line

On July 6, 2023, the Company announced that it had consummated a transaction with Johnson & Johnson Vision, pursuant to which the Company, through an affiliate, had acquired the Blink® product line of eye and contact lens drops, which consists of Blink® Tears Lubricating Eye Drops, Blink® Tears Preservative Free Lubricating Eye Drops, Blink GelTears® Lubricating Eye Drops, Blink® Triple Care Lubricating Eye Drops, Blink Contacts® Lubricating Eye Drops and Blink-N-Clean® Lens Drops. This acquisition was made by the Company to continue to grow its global over-the-counter business. Under the terms of the purchase agreement, the Company, through an affiliate, acquired the Blink® product line of eye and contact lens drops for an up-front cash payment of $107 million, which was paid on the closing of the transaction. The Company accounted for the transaction as an asset acquisition. The acquired assets are included within the Company's Vision Care segment. See Note 4, "ACQUISITIONS AND LICENSING AGREEMENTS" in the Annual Report for additional information regarding the acquisition of the Blink® product line.

Acquisition of AcuFocus, Inc.

On January 17, 2023, the Company acquired AcuFocus, Inc. ("AcuFocus") for an up-front payment of $ 35 million, $31 million of which was paid in January 2023, with the remaining purchase price paid during the 18 months following the date of the transaction. AcuFocus is an ophthalmic medical device company. The acquisition was made by the Company to acquire breakthrough small aperture intraocular technology for certain cataract patients. The acquisition of AcuFocus has been accounted for as a business combination under the acquisition method of accounting. The AcuFocus business is included within the Surgical segment. Additional contingent payments may become due upon achievement of future sales milestones. At the time of acquisition, the acquisition-related contingent consideration liability related to this transaction was approximately $5 million, which the Company reassesses each quarter for changes in fair value. See Note 6, “FAIR VALUE MEASUREMENTS” for additional information regarding the fair value assessment of the acquisition-related contingent consideration liabilities.

6. 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 Company’s financial assets and liabilities measured at fair value on a recurring basis:

	June 30, 2024				December 31, 2023			
(in millions)	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	$ 48	$ 43	$ 5	$ —	$ 44	$ 36	$ 8	$ —
Foreign currency exchange contracts	$ 1	$ —	$ 1	$ —	$ 1	$ —	$ 1	$ —
Liabilities:								
Acquisition-related contingent consideration	$ 44	$ —	$ —	$ 44	$ 44	$ —	$ —	$ 44
Foreign currency exchange contracts	$ 1	$ —	$ 1	$ —	$ 4	$ —	$ 4	$ —
Cross-currency swaps	$ 58	$ —	$ 58	$ —	$ 84	$ —	$ 84	$ —

Cash equivalents consist of highly liquid investments, primarily money market funds, with maturities of three months or less when purchased, and are reflected in the Condensed Consolidated Balance Sheets at carrying value, which approximates fair value due to their short-term nature.

There were no transfers into or out of Level 3 during the six months ended June 30, 2024 and 2023.

Cross-currency Swaps

The Company uses cross-currency swaps to mitigate fluctuation in the value of a portion of its euro-denominated net investment in its Condensed Consolidated Financial Statements from fluctuation in exchange rates. The euro-denominated net investment being hedged is the Company's investment in certain euro-denominated subsidiaries. As of June 30, 2024, these swaps had an aggregate notional value of $1,000 million.

The assets and liabilities associated with the Company's cross-currency swaps as included in the Condensed Consolidated Balance Sheets are as follows:

(in millions)	June 30, 2024	December 31, 2023
Other non-current liabilities	$ 64	$ 90
Prepaid expenses and other current assets	$ 6	$ 6
Net fair value	$ 58	$ 84

The following table presents the effect of hedging instruments on the Condensed Consolidated Statements of Comprehensive Loss and the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Gain (loss) recognized in Other comprehensive loss	$ 6	$ (17)	$ 26	$ (23)
Gain excluded from assessment of hedge effectiveness	$ 3	$ 3	$ 6	$ 6
Location of gain of excluded component	Interest expense		Interest Expense	

No portion of the cross-currency swaps were ineffective for the six months ended June 30, 2024 and 2023. The Company received $6 million in interest settlements for each of the six months ended June 30, 2024 and 2023, which are reported as investing activities in the Condensed Consolidated Statements of Cash Flows.

Foreign Currency Exchange Contracts

The Company enters into foreign currency exchange contracts to economically hedge the foreign exchange exposure on certain of the Company's intercompany balances. As of June 30, 2024, these contracts had an aggregate notional amount of $328 million.

The assets and liabilities associated with the Company's foreign exchange contracts as included in the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 are as follows:

(in millions)	June 30, 2024	December 31, 2023
Accrued and other current liabilities	$ (1)	$ (4)
Prepaid expenses and other current assets	$ 1	$ 1
Net fair value	$ —	$ (3)

The following table presents the effect of the Company's foreign exchange contracts on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Cash Flows for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Gain (loss) related to changes in fair value	$ —	$ —	$ 3	$ (2)
Gain related to settlements	$ —	$ 2	$ 1	$ 3

Acquisition-related Contingent Consideration Obligations

Acquisition-related contingent consideration, which primarily consists of potential milestone payments, is recorded in the Condensed Consolidated 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 Condensed Consolidated Statements of Operations. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in fair value measurement accounting.

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. At June 30, 2024, the fair value measurements of acquisition-related contingent consideration were determined using risk-adjusted discount rates ranging from 11% to 28%, and a weighted average risk-adjusted discount rate of 11%. The weighted average risk-adjusted discount rate was calculated by weighting each contract's relative fair value at June 30, 2024.

The following table presents a reconciliation of contingent consideration obligations measured on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2024 and 2023:

(in millions)	**2024**	**2023**
Balance, as of January 1,	$ 44	$ 4
Adjustments to Acquisition-related contingent consideration:		
Accretion for the time value of money	$ 2	$ 1
Fair value adjustments due to changes in estimates of future payments	(1)	—
Acquisition-related contingent consideration adjustments	1	1
Additions (Note 5)	—	5
Payments/Settlements	(1)	—
Balance, as of June 30,	44	10
Current portion included in Accrued and other current liabilities	4	4
Non-current portion	$ 40	$ 6

Fair Value of Long-term Debt

The fair value of long-term debt as of June 30, 2024 and December 31, 2023 was $ 4,704 million and $4,668 million, respectively, and was estimated using the quoted market prices for similar debt issuances (Level 2).

7. INVENTORIES

Inventories, net consist of:

(in millions)	**June 30, 2024**	**December 31, 2023**
Raw materials	$ 279	$ 261
Work in process	93	100
Finished goods	697	667
	$ 1,069	$ 1,028

8. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The major components of intangible assets consist of:

(in millions)	June 30, 2024 Gross Carrying Amount	June 30, 2024 Accumulated Amortization and Impairments	June 30, 2024 Net Carrying Amount	December 31, 2023 Gross Carrying Amount	December 31, 2023 Accumulated Amortization and Impairments	December 31, 2023 Net Carrying Amount
Finite-lived intangible assets:						
Product brands	$ 4,322	$ (2,699)	$ 1,623	$ 4,342	$ (2,581)	$ 1,761
Corporate brands	84	(14)	70	85	(11)	74
Product rights/patents	992	(963)	29	993	(954)	39
Technology and other	76	(64)	12	75	(63)	12
Total finite-lived intangible assets	5,474	(3,740)	1,734	5,495	(3,609)	1,886
Acquired in-process research and development intangible asset	5	—	5	5	—	5
B&L Trademark	1,698	—	1,698	1,698	—	1,698
	$ 7,177	$ (3,740)	$ 3,437	$ 7,198	$ (3,609)	$ 3,589

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 Condensed Consolidated Statements of Operations. Bausch + Lomb 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 during the six months ended June 30, 2024 were $ 5 million related to a product brand discontinuation. Asset impairments during the six months ended June 30, 2023 were not material.

Estimated amortization expense of finite-lived intangible assets for the remainder of 2024 and the five succeeding years ending December 31 and thereafter are as follows:

(in millions)	Remainder of 2024	2025	2026	2027	2028	2029	Thereafter	Total
Amortization	$ 138	$ 240	$ 209	$ 207	$ 207	$ 206	$ 527	$ 1,734

Goodwill

The changes in the carrying amounts of goodwill during the six months ended June 30, 2024 and the year ended December 31, 2023 were as follows:

(in millions)	Vision Care	Pharmaceuticals	Surgical	Total
Balance, January 1, 2023	$ 3,549	$ 645	$ 313	$ 4,507
Acquisitions (Note 5)	—	23	8	31
Foreign exchange	7	25	5	37
Balance, December 31, 2023	3,556	693	326	4,575
Foreign exchange	(12)	(23)	(2)	(37)
Balance, June 30, 2024	$ 3,544	$ 670	$ 324	$ 4,538

Goodwill is not amortized but is tested for impairment at least annually as of October 1st at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment. Bausch + Lomb 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).

2023 Annual Goodwill Impairment Test

The Company conducted its annual goodwill impairment test as of October 1, 2023 by performing a quantitative assessment for each of its reporting units. The quantitative assessment utilized long-term growth rates of 2.0% and 3.0% and discount rates ranging from 10.25% and 11.50%, 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 25%, and, therefore, there was no impairment to goodwill.

June 30, 2024 Interim Goodwill Impairment Assessment

No events occurred or circumstances changed during the period from October 1, 2023 (the last time goodwill was tested for all reporting units) through June 30, 2024 that would indicate that the fair value of any reporting unit might be below its carrying value.

If market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future.

There were no goodwill impairment charges from October 1, 2023 through June 30, 2024.

9. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities consist of:

(in millions)	June 30, 2024	December 31, 2023
Product Rebates	$ 394	$ 191
Employee Compensation and Benefit Costs	218	233
Product Returns	78	66
Discounts and Allowances	67	84
Professional Fees	64	53
Advertising and Promotion	55	45
Other	365	355
	$ 1,241	$ 1,027

10. FINANCING ARRANGEMENTS

Principal amounts of debt obligations and principal amounts of debt obligations net of issuance costs consist of the following:

		June 30, 2024		December 31, 2023	
(in millions)	Maturity	Principal Amount	Net of Issuance Costs	Principal Amount	Net of Issuance Costs
Senior Secured Credit Facilities					
Revolving Credit Facility	May 2027	$ 350	$ 350	$ 275	$ 275
May 2027 Term Facility	May 2027	2,450	2,416	2,462	2,423
September 2028 Term Facility	September 2028	496	486	499	487
Senior Secured Notes					
8.375% Secured Notes	October 2028	1,400	1,380	1,400	1,377
Total long-term debt		$ 4,696	4,632	$ 4,636	4,562
Less: Current portion of long-term debt			30		30
Non-current portion of long-term debt			$ 4,602		$ 4,532

Senior Secured Credit Facilities

On May 10, 2022, Bausch + Lomb entered into a credit agreement (the “Credit Agreement”, and the credit facilities thereunder, the “Credit Facilities”). Prior to the September 2023 Credit Facility Amendment (as defined below), the Credit Agreement provided for a term loan of $2,500 million with a five-year term to maturity (the “May 2027 Term Facility”) and a five-year revolving credit facility of $500 million (the “Revolving Credit Facility”).

On September 29, 2023, Bausch + Lomb entered into an incremental term loan facility secured on a pari passu basis with the Company's existing May 2027 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the "September 2023 Credit Facility Amendment") to the Company's existing Credit Agreement (the Credit Agreement, as amended by the September 2023 Credit Facility Amendment, the "Amended Credit Agreement") and consisted of borrowings of $500 million in new term B loans with a five-year term to maturity (the "September 2028 Term Facility" and, together with the May 2027 Term Facility and the Revolving Credit Facility, the "Senior Secured Credit Facilities"). A portion of the proceeds from the September 2028 Term Facility and October 2028 Secured Notes (as defined below) were used to finance the $1,750 million upfront payment related to the XIIDRA Acquisition (as discussed further in Note 5, "ACQUISITIONS AND LICENSING AGREEMENTS") and related acquisition and financing costs.

On April 19, 2024, Bausch + Lomb entered into a Suspension of Rights Agreement (the "Suspension of Rights Agreement") with respect to the Credit Agreement, pursuant to which Canadian dollar-denominated loans will cease to be available from June 28, 2024 until such date as the parties enter into an amendment of the Credit Agreement (a "CDOR Replacement Amendment") to replace the Canadian Dollar Offered Rate with an alternative benchmark with respect to Canadian dollar-denominated loans.

The Senior Secured Credit Facilities are 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 May 2027 Term Facility and September 2028 Term Facility are denominated in U.S. dollars, and borrowings under the Revolving Credit Facility may be made available in U.S. dollars, euros and pounds sterling (and, subject to effectiveness of a CDOR Replacement Amendment, Canadian dollars). As of June 30, 2024, the principal amounts outstanding under the May 2027 Term Facility and September 2028 Term Facility were $2,450 million and $496 million, respectively. As of June 30, 2024, the Company had $ 350 million of outstanding borrowings, $29 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of $121 million under its Revolving Credit Facility.

Borrowings under the Revolving Credit Facility in: (i) U.S. dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Secured Overnight Financing Rate ("SOFR")-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars, when available pursuant to the Suspension of Rights Agreement and the effectiveness of a CDOR Replacement Amendment, will bear interest at a rate to be agreed between the parties, (iii) euros bear interest at a rate per annum equal to EURIBOR and (iv) pounds sterling bear interest at a rate per annum equal to Sterling Overnight Index Average ("SONIA") (provided, however, that the term SOFR-based rate, EURIBOR and SONIA shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall be no less than 1.00% per annum at any time), in each case, plus an applicable margin. Term SOFR-based borrowings under the Revolving Credit Facility are subject to a credit spread adjustment of 0.10%.

The applicable interest rate margins for borrowings under the Revolving Credit Facility are: (i) between 0.75% to 1.75% with respect to U.S. dollar base rate borrowings and between 1.75% to 2.75% with respect to SOFR, EURIBOR or SONIA borrowings based on Bausch + Lomb's total net leverage ratio and (ii) 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 Standard & Poor's ("S&P"), Moody's and Fitch and (y) the May 2027 Term Facility and September 2028 Term Facility have been repaid in full in cash (the "IG Trigger"), between 0.015% to 0.475% with respect to U.S. dollar base rate borrowings and between 1.015% to 1.475% with respect to SOFR, EURIBOR or SONIA borrowings based on Bausch + Lomb's debt rating. The stated rate of interest for borrowings under the Revolving Credit Facility at June 30, 2024 ranges from 8.18% to 8.19% per annum. In addition, Bausch + Lomb is 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, thereafter, a facility fee between 0.110% to 0.275% of the total revolving commitments, whether used or unused, based on Bausch + Lomb's debt rating and payable quarterly in arrears. Bausch + Lomb is also 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 May 2027 Term Facility bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (i) a term SOFR-based rate, plus an applicable margin of 3.25% or (ii) a U.S. dollar base rate, plus an applicable margin of 2.25% (provided, however, that the term SOFR-based rate shall be no less than 0.50% per annum at any time and the U.S. dollar base rate shall not be lower than 1.50% per annum at any time). Term SOFR-based borrowings under the May 2027 Term Facility are subject to a credit spread adjustment of 0.10%. The stated rate of interest under the May 2027 Term Facility at June 30, 2024 was 8.69% per annum.

Borrowings under the September 2028 Term Facility bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.00%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.00% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the

September 2028 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the September 2028 Term Facility at June 30, 2024 was 9.34% per annum.

Subject to certain exceptions and customary baskets set forth in the Amended Credit Agreement, Bausch + Lomb is required to make mandatory prepayments of the loans under the May 2027 Term Facility and September 2028 Term Facility under certain circumstances, including from: (i) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold), (ii) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as described in the Amended Credit Agreement), (iii) 50% of Excess Cash Flow (as defined in the Amended Credit Agreement) subject to decrease based on leverage ratios and subject to a threshold amount and (iv) 100% of net cash proceeds from asset sales (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold). These mandatory prepayments may be used to satisfy future amortization.

The amortization rate for the May 2027 Term Facility is 1.00% per annum, or $25 million, payable in quarterly installments, and the first installment was paid on September 30, 2022. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2024, the remaining mandatory quarterly amortization payments for the May 2027 Term Facility were $69 million through March 2027, with the remaining term loan balance being due in May 2027.

The amortization rate for the September 2028 Term Facility is 1.00% per annum, or $5 million, payable in quarterly installments. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2024, the remaining mandatory quarterly amortization payments for the September 2028 Term Facility were $20 million through June 2028, with the remaining term loan balance being due in September 2028.

Senior Secured Notes

On September 29, 2023, Bausch + Lomb issued $1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the "October 2028 Secured Notes"). A portion of the proceeds from the October 2028 Secured Notes, along with the proceeds of September 2028 Term Facility, were used to finance the $1,750 million upfront payment related to the XIIDRA Acquisition (as discussed further in Note 5, “ACQUISITIONS AND LICENSING AGREEMENTS”) and related acquisition-related transaction and financing costs. The October 2028 Secured Notes accrue interest at a rate of 8.375% per year, payable semi-annually in arrears on each April 1 and October 1, which commenced on April 1, 2024.

The October 2028 Secured Notes are guaranteed by each of the Company’s subsidiaries that is a guarantor under the Amended Credit Agreement (the “Note Guarantors”). The October 2028 Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the Company’s obligations under the Amended Credit Agreement under the terms of the indenture governing the October 2028 Secured Notes.

The October 2028 Secured Notes and the guarantees related thereto rank equally in right of repayment with all of the Company’s and Note Guarantors’ respective existing and future unsubordinated indebtedness and senior to the Company’s and Note Guarantors’ respective future subordinated indebtedness. The October 2028 Secured Notes and the guarantees related thereto are effectively pari passu with the Company’s and the Note Guarantors’ respective existing and future indebtedness secured by a first priority lien on the collateral securing the October 2028 Secured Notes and effectively senior to the Company’s and the Note Guarantors’ respective existing and future indebtedness that is unsecured, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the October 2028 Secured Notes are structurally subordinated to: (i) all liabilities of any of the Company’s subsidiaries that do not guarantee the October 2028 Secured Notes and (ii) any of the Company’s debt that is secured by assets that are not collateral.

Upon the occurrence of a change in control (as defined in the indenture governing the October 2028 Secured Notes), unless the Company has exercised its right to redeem all of the notes of a series, holders of the October 2028 Secured Notes may require the Company to repurchase such holders' notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, but not including, the date of purchase.

The October 2028 Secured Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2025, at the redemption prices set forth in the indenture. Prior to October 1, 2025, the Company may redeem the October 2028 Secured Notes in whole or in part at a redemption price equal to the principal amount of the Notes redeemed plus a make-whole premium. Prior to October 1, 2025, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the October 2028 Secured Notes at a redemption price of 108.375% of the principal amount thereof, redeemed plus accrued and unpaid interest to, but not including, the date of redemption with the proceeds of one or more equity offerings.

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of June 30, 2024 and December 31, 2023 was 8.63% and 8.65%, respectively.

Maturities and Mandatory Payments

Maturities and mandatory payments of debt obligations for the remainder of 2024, five succeeding years ending December 31 and thereafter are as follows:

(in millions)		
Remainder of 2024	$	15
2025		30
2026		30
2027		2,742
2028		1,879
2029		—
Thereafter		—
Total gross maturities		4,696
Unamortized discounts		(64)
Total long-term debt and other	$	4,632

Covenant Compliance

The Credit Facilities contain customary affirmative and negative covenants and specified events of default. These affirmative and negative covenants include, among other things, and subject to certain qualifications and exceptions, covenants that restrict Bausch + Lomb's ability and the ability of its subsidiaries to: incur or guarantee additional indebtedness; create or permit liens on assets; pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness; make certain investments and other restricted payments; engage in mergers, acquisitions, consolidations and amalgamations; transfer and sell certain assets; and engage in transactions with affiliates. The Revolving Credit Facility also contains financial covenants that: (1) prior to the IG Trigger, require Bausch + Lomb to, if, as of the last day of any fiscal quarter of Bausch + Lomb (commencing with the fiscal quarter ending December 31, 2022), loans under the Revolving Credit Facility and swingline loans are outstanding in an aggregate amount greater than 40% of the total commitments in respect of the Revolving Credit Facility at such time, maintain a maximum first lien net leverage ratio of not greater than 4.50:1.00 and (2) after the IG Trigger, require Bausch + Lomb to, as of the last day of each fiscal quarter ending after the IG Trigger, (a) maintain a total leverage ratio of not greater than 4.00:1.00 (provided that such ratio will increase to 4.50:1.00 in connection with certain acquisitions for the four fiscal quarter period commencing with the quarter in which such acquisition is consummated) and (b) maintain an interest coverage ratio of not less than 3.00:1.00. The financial covenant in effect prior to the IG Trigger may be waived or amended without the consent of the term loan facility lenders and contains a customary term loan facility standstill and customary cure rights. The indenture governing the October 2028 Secured Notes also contains negative covenants and events of default that are similar to those contained in the Credit Facilities.

As of June 30, 2024, the Company was in compliance with its financial covenants related to its debt obligations. Bausch + Lomb, based on its current forecast for the next twelve months from the date of issuance of these Condensed Consolidated Financial Statements, expects to remain in compliance with its financial covenants and meet its debt service obligations over that same period.

11. SHARE-BASED COMPENSATION

Bausch + Lomb Corporation 2022 Omnibus Incentive Plan

Effective May 5, 2022, Bausch + Lomb established the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan (as amended and restated by the 2023 Plan Amendment (as described below) and as further amended and restated by the 2024 Plan Amendment (as described below), the "Plan"). A total of 28,000,000 common shares of Bausch + Lomb were originally authorized for issuance under the Plan. Effective April 24, 2023, Bausch + Lomb's shareholders approved an amendment and restatement of the Plan to increase the number of shares authorized for issuance thereunder by an additional 10,000,000 common shares, resulting in an aggregate 38,000,000 common shares of Bausch + Lomb authorized for issuance under the Plan (the "2023 Plan Amendment"). At the Company's annual meeting of shareholders held on May 29, 2024, Bausch + Lomb's shareholders approved a further amendment and restatement of the Plan to increase the number of shares authorized

for issuance thereunder by an additional 14,000,000 common shares, resulting in an aggregate 52,000,000 common shares of Bausch + Lomb authorized for issuance under the Plan (the “2024 Plan Amendment”).

The Plan provides for the grant of various types of awards, including restricted stock units (“RSUs”), restricted stock, stock appreciation rights, stock options, performance-based awards and cash awards. Under the Plan, the exercise price of awards, if any, is set on the grant date and may not be less than the fair market value per share on that date. Generally, stock options have a term of ten years and a three-year vesting period, subject to limited exceptions.

Approximately 21,000,000 common shares were available for future grants as of June 30, 2024. Bausch + Lomb uses reserved and unissued common shares to satisfy its obligations under its share-based compensation plans.

The Talent and Compensation Committee of the Board of Directors approved a Performance Share Unit (“PSU”) award for a limited number of key senior leaders (the “Executives”) as of February 28, 2024, including each of the Company's current named executive officers (Brent Saunders, Sam Eldessouky, Bob Bailey, Yehia Hashad and Andrew Stewart) whose compensation is required to be disclosed pursuant to applicable U.S. and Canadian securities laws (the "OPG PSU"). This OPG PSU award is designed to reward the Executives for achieving significant outperformance of performance goals that the Company believes would ultimately deliver substantial value to the Company's shareholders if achieved.

The OPG PSUs may be earned between 0% and 300% based on the level of achievement of: (i) a revenue metric (measured for fiscal year 2026) and (ii) a relative total shareholder return (“TSR”) metric measured over the three-year period ending December 31, 2026. In the event that the Company’s absolute TSR during such period is negative, then the maximum payout of the OPG PSU award will be capped at 50%. Any OPG PSUs that are earned will vest on February 28, 2027, subject generally to the Executive’s continued employment through such date, except in limited circumstances set forth in the applicable award agreement.

The fair value of the OPG PSUs was estimated using a Monte Carlo Simulation model, which utilizes multiple input variables to estimate the probability that the performance condition will be achieved. Expense recognized for the OPG PSUs in each reporting period reflects the latest probability of the Company achieving certain revenue targets in determining the number of PSUs that are expected to vest. If the OPG PSUs do not ultimately vest due to the revenue targets not being met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

During July 2024, the Talent and Compensation Committee of the Board of Directors approved certain amendments to: (i) the TSR performance metric of certain PSU awards, including the previously granted OPG PSU and (ii) the time-based vesting conditions of awards previously granted to certain eligible recipients in connection with the B+L IPO (the "IPO Founder Grants"). As these amendments were approved during July 2024, the Company is still finalizing the impact on its Condensed Consolidated Financial Statements. The Company will record the impact of these modifications in the quarter ended September 30, 2024.

The components and classification of share-based compensation expense related to stock options, PSUs and RSUs directly attributable to those employees specifically identified as Bausch + Lomb employees for the three and six months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Stock options	$ 2	$ 2	$ 4	$ 6
PSUs/RSUs	20	16	37	36
Share-based compensation expense	$ 22	$ 18	$ 41	$ 42
Research and development expenses	$ 1	$ 3	$ 2	$ 4
Selling, general and administrative expenses	21	15	39	38
Share-based compensation expense	$ 22	$ 18	$ 41	$ 42

Share-based awards granted for the six months ended June 30, 2024 and 2023 consist of:

	Six Months Ended June 30,	
	2024	2023
Stock options		
Granted	1,317,000	3,130,000
Weighted-average exercise price	$ 16.85	$ 18.16
Weighted-average grant date fair value	$ 4.92	$ 5.40
RSUs		
Granted	3,322,000	2,888,000
Weighted-average grant date fair value	$ 16.74	$ 17.97
TSR performance-based RSUs		
Granted	826,000	1,175,000
Weighted-average grant date fair value	$ 21.21	$ 27.65
Organic Revenue Growth PSUs		
Granted	379,000	142,000
Weighted-average grant date fair value	$ 16.08	$ 17.96
OPG PSUs		
Granted	1,758,000	—
Weighted-average grant date fair value	$ 17.04	$ —

As of June 30, 2024, the remaining unrecognized compensation expenses related to all outstanding non-vested stock options, time-based RSUs and performance-based RSUs amounted to $161 million, which will be amortized over a weighted-average period of 2.17 years.

12. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of:

(in millions)	June 30, 2024	December 31, 2023
Foreign currency translation adjustment	$ (1,278)	$ (1,217)
Pension adjustment, net of tax	(28)	(28)
	$ (1,306)	$ (1,245)

Income taxes are not provided for foreign currency translation adjustments arising on the translation of Bausch + Lomb's operations having a functional currency other than the U.S. dollar, except to the extent of translation adjustments related to Bausch + Lomb's retained earnings for foreign jurisdictions in which Bausch + Lomb is not considered to be permanently reinvested.

13. OTHER EXPENSE, NET

Other expense, net for the three and six months ended June 30, 2024 and 2023 consists of:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Asset impairments	$ 5	$ —	$ 5	$ —
Restructuring and integration costs	6	14	17	22
Gain on sale of assets	(1)	—	(5)	—
Litigation and other matters	—	—	1	—
Acquisition-related costs	1	2	1	3
Acquisition-related contingent consideration	—	1	1	1
Other, net	3	—	3	—
Other expense, net	$ 14	$ 17	$ 23	$ 26

The Company 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 include expenses associated with the implementation of these cost savings programs and include expenses associated with reducing headcount and other cost reduction initiatives. Restructuring and integration costs for the six months ended June 30, 2024 and 2023 were $17 million and $22 million, respectively and primarily consist of employee severance costs. These severance costs were provided under an ongoing benefit arrangement and were therefore recorded once they were both probable and reasonably estimable in accordance with the provisions of ASC 712-10, “Nonretirement Postemployment Benefits”.

14. INCOME TAXES

For interim financial statement purposes, U.S. GAAP income tax expense/benefit related to ordinary income is determined by applying an estimated annual effective income tax rate against a company’s ordinary income, subject to certain limitations on the benefit of losses. Income tax expense/benefit related to items not characterized as ordinary income is recognized as a discrete item when incurred. The estimation of Bausch + Lomb’s income tax provision requires the use of management forecasts and other estimates, application of statutory income tax rates, and an evaluation of valuation allowances. The Company’s estimated annual effective income tax rate may be revised, if necessary, in each interim period.

Provision for income taxes for the six months ended June 30, 2024 was $ 145 million. The difference between the statutory tax rate and the effective tax rate was primarily attributable to jurisdictional mix of earnings and the discrete tax effects of: (a) the filing of certain tax returns, (b) a change in the deduction for stock compensation and (c) the release of uncertain tax positions where the statute of limitations in certain jurisdictions lapsed. Provision for income taxes for the six months ended June 30, 2023 was $43 million. The difference between the statutory tax rate and the effective tax rate was primarily attributable to jurisdictional mix of earnings and discrete tax effects of establishing a valuation allowance in Canada, the impact of a change in tax attributes, and a change in the deduction for stock compensation.

The Company records a valuation allowance against its deferred tax assets to reduce the net carrying value to an amount that it believes is more likely than not to be realized. When the Company establishes or reduces the valuation allowance against its deferred tax assets, the provision for income taxes will increase or decrease, respectively, in the period such determination is made. The valuation allowance against deferred tax assets was $171 million and $150 million as of June 30, 2024 and December 31, 2023, respectively. The increase is related to the losses incurred during the quarter in jurisdictions for which the Company has established a full valuation allowance.

The Company’s U.S. affiliates remain under examination for various state tax audits in the U.S. for years 2015 through 2022.

The Company’s subsidiaries in Germany are under audit for tax years 2014 through 2019. During the three months ended September 30, 2023, the Company received a preliminary assessment from the German taxing authority that would disallow certain transfer pricing adjustments. The Company contested this alleged tax deficiency through the appropriate appeals process, and reached a preliminary settlement with the German taxing authority during the three months ended June 30, 2024. The preliminary settlement resulted in the accrual of an immaterial tax cost and will close out the 2014 to 2016 audit period. The Company continues to believe this liability will be indemnified by BHC pursuant to the Tax Matters Agreement.

As of June 30, 2024 and December 31, 2023, the Company had $ 65 million and $68 million of unrecognized tax benefits, which included $9 million and $9 million of interest and penalties, respectively. Of the total unrecognized tax benefits as of June 30, 2024, $57 million would reduce the Company’s effective tax rate, if recognized. The Company believes that it is

reasonably possible that the total amount of unrecognized tax benefits at June 30, 2024 could decrease by $ 1 million in the next 12 months as a result of the resolution of certain tax audits and other events.

15. LOSS PER SHARE

Loss per share attributable to Bausch + Lomb Corporation for the three and six months ended June 30, 2024 and 2023 were calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	**2024**	**2023**	**2024**	**2023**
Net loss attributable to Bausch + Lomb Corporation	$ (151)	$ (32)	$ (318)	$ (122)
Basic weighted-average common shares outstanding	351.8	350.5	351.5	350.3
Diluted effect of stock options and RSUs	—	—	—	—
Diluted weighted-average common shares outstanding	351.8	350.5	351.5	350.3
Basic and Diluted Loss per share attributable to Bausch + Lomb Corporation	$ (0.43)	$ (0.09)	$ (0.90)	$ (0.35)

During the three and six months ended June 30, 2024 and 2023, all potential common shares issuable for RSUs, PSUs and stock options were excluded from the calculation of diluted loss per share, as the effect of including them would have been anti-dilutive. The dilutive effect of potential common shares issuable for RSUs, PSUs and stock options on the weighted-average number of common shares outstanding would have been approximately 1,238,000 and 1,419,000 common shares for the three and six months ended June 30, 2024, respectively. The dilutive effect of potential common shares issuable for RSUs, PSUs and stock options on the weighted-average number of common shares outstanding would have been approximately 1,623,000 and 1,452,000 common shares for the three and six months ended June 30, 2023 , respectively.

During the three and six months ended June 30, 2024, RSUs, PSUs and stock options to purchase approximately 10,364,000 and 10,315,000 common shares, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method. During the three and six months ended June 30, 2024, an additional 3,799,000 IPO Founder Grants in the form of stock options and RSUs, which were granted to certain eligible recipients in connection with the B+L IPO, and an additional 2,877,000 PSUs were not included in the computation of diluted earnings per share as they are either linked to the completion of the Separation or the required performance conditions had not yet been met.

During the three and six months ended June 30, 2023, RSUs, PSUs and stock options to purchase approximately 3,199,000 and 4,448,000 common shares, respectively, were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive under the treasury stock method. During the three and six months ended June 30, 2023, an additional 5,483,000 IPO Founders Grants in the form of stock options and RSUs, which were granted to certain eligible recipients in connection with the B+L IPO, and an additional 892,000 PSUs were not included in the computation of diluted earnings per share as they are either linked to the completion of the Separation or the required performance conditions had not yet been met.

16. LEGAL PROCEEDINGS

Bausch + Lomb 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, Bausch + Lomb also initiates or may initiate actions or file counterclaims. Bausch + Lomb could be subject to counterclaims or other suits in response to actions it may initiate. Bausch + Lomb believes that the prosecution of these actions and counterclaims is important to preserve and protect Bausch + Lomb, its reputation and its assets.

On a quarterly basis, Bausch + Lomb evaluates developments in legal proceedings, potential settlements and other matters that could increase or decrease the amount of the liability accrued. As of June 30, 2024, Bausch + Lomb's Condensed Consolidated Balance Sheets includes accrued current loss contingencies of $5 million related to matters which are both probable and reasonably estimable. For all other matters, unless otherwise indicated, Bausch + Lomb 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 Bausch + Lomb's 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., 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 U.S. 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 are brought as putative class actions by direct purchasers, end payers, and indirect resellers, and as direct actions by direct purchasers, end payers, insurers, hospitals, pharmacies, and various Counties, Cities, and Towns, are consolidated into the MDL. There are also additional, separate complaints which are consolidated in the same MDL that do not name the Company or any of its subsidiaries as a defendant. State of Connecticut, et al. v. Sandoz, Inc., et al., C.A. No. 2:20-03539 (D. CT, C.A. No. 3:20-00802), in which Bausch Health US and Bausch Health Americas are defendants has been remanded to and is pending in the United States District Court for the District of Connecticut. There are cases pending in the Court of Common Pleas of Philadelphia County against the Company and other defendants related to the multidistrict litigation, some of which are 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 Bausch + Lomb and BHC's other businesses. It is anticipated that Bausch + Lomb 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 MSA.

Product Liability

Shower to Shower® Products Liability Litigation

Since 2016, BHC and its affiliates, including Bausch + Lomb, have 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-seven (27) of such product liability suits currently remain pending. In three (3) cases pending in the Atlantic County, New Jersey Multi-County Litigation, agreed stipulations of dismissal have been entered by the Court, thus dismissing the Company from those cases. 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 Bausch + Lomb, and legal fees and costs will be paid by Johnson & Johnson. Twenty-six (26) 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 were 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.

In October 2021, Johnson & Johnson, through one or more subsidiaries purported to complete 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, which in November 2021 was transferred to the United States District Court for the District of New Jersey (the "Bankruptcy Court"). The first bankruptcy case was dismissed on April 4, 2023, after a decision by the Third Circuit Court of Appeals, and LTL re-filed a new Chapter 11 case in the Bankruptcy Court on the same day. Several motions to dismiss were again filed, and on August 11, 2023, the Bankruptcy Court dismissed the second Chapter 11 case. On August 24, 2023, LTL and certain supporting creditors and tort claimants filed notices of appeal of the dismissal order. On October 20, 2023, the Third Circuit accepted the appeal, which remains pending. During the pendency of LTL's bankruptcy cases, the Bankruptcy Court extended a preliminary injunction that had stayed substantially all cases subject to the indemnification agreement related to Johnson & Johnson's talc liability, which injunction was terminated in connection with the bankruptcy case dismissal.

As of the date of this report, the litigation against BHC, Bausch + Lomb and other defendants is no longer stayed, and LTL and Johnson & Johnson continue to have indemnification obligations running to BHC and its affiliates, including Bausch + Lomb, for Shower to Shower® related product liability litigation. It is our expectation that Johnson & Johnson, in accordance with the applicable indemnification agreement, will continue to vigorously defend BHC and Bausch + Lomb in each of the remaining actions, and that BHC and Bausch + Lomb will not incur any material impairments with respect to indemnification claims as a result of the divisional merger or the bankruptcy.

In June 2024, LTL and its successors began the process of soliciting votes for a new "pre-packaged" bankruptcy plan that it has announced it intends to file in the future. Solicitation of votes on the new bankruptcy plan remains ongoing.

General Civil Actions

California Proposition 65 Related Matter

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. Bausch Health US 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. On July 29, 2022, Johnson & Johnson filed a status report in the Gutierrez appeal, outlining the developments since the last status report and the imposition of the stay. Johnson & Johnson noted that following a July 26, 2022, hearing, the Bankruptcy Court left the preliminary injunction in place, and asked the Ninth Circuit to continue to stay this action while the bankruptcy preliminary injunction remained in place. On January 20, 2023, the Ninth Circuit extended the stay until February 17, 2023. On February 17, 2023, Johnson & Johnson requested that the court afford it 60 days – until April 18, 2023, or seven (7) days following any lifting of the LTL Bankruptcy Court's preliminary injunction, whichever comes earliest – to provide an additional status report about the bankruptcy proceeding and the Third Circuit dismissal for which the LTL has requested a rehearing. On April 7, 2023, Johnson & Johnson Consumer Inc. filed a status report regarding the bankruptcy proceeding advising the Court of the dismissal of the prior bankruptcy proceeding and the filing of the second bankruptcy proceeding, as well as the preliminary injunction and stay order, and requesting the stay of the appeal remain in place until May 10, 2023, which was granted. Following the entry of a preliminary injunction applicable to this case, which was extended until August 26, 2023, the Ninth Circuit extended the stay to June 15, 2023. On June 22, 2023, Johnson & Johnson/LTL filed a status report requesting the stay be extended to August 26, 2023, consistent with the extension of the preliminary injunction by the bankruptcy court. On August 15, 2023, Johnson & Johnson filed a supplemental status report notifying the Ninth Circuit that the second bankruptcy proceeding was dismissed on August 11, 2023 so the stay could be lifted and briefing could proceed to conclusion and setting of oral argument. On September 13, 2023, the Ninth Circuit lifted the stay. On April 8, 2024, the Ninth Circuit heard oral argument on Plaintiffs' appeal of the lower court's dismissal of the case with prejudice, and, on April 29, 2024, the Ninth Circuit issued a memorandum disposition that affirmed the dismissal of the case in full. Plaintiffs have not filed a further appeal and the time to do so has passed.

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, 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 was scheduled to begin on May 30, 2023, until the case was stayed by an interlocutory appeal to the New Mexico Supreme Court by Johnson & Johnson.

On July 14, 2022, LTL filed an adversary proceeding in the Bankruptcy Court (Case No. 21-30589, Adv. Pro. No. 22-01231) against the State of New Mexico ex rel. Hector H. Balderas, Attorney General, and obtained an injunction from the Bankruptcy Court barring the New Mexico Attorney General from continuing to prosecute the action while the bankruptcy case was pending. Because the Bankruptcy Court has ultimately dismissed both LTL's first and second bankruptcy cases, this suit has returned to its status quo prior to LTL's filing.

The State has negotiated a settlement of the lawsuit with Johnson & Johnson, in which BHC and its affiliates, including Bausch + Lomb, are released parties. The entire action will be dismissed once the settlement has been completed following payment. Pending completion of the settlement, BHC and Bausch Health US dispute the claims against them, and this lawsuit will be defended vigorously.

California Consumer Protection Action

On October 31, 2023, Plaintiff County of Los Angeles filed an action on behalf of the state of California against the Company and Johnson & Johnson, seeking injunctive relief, restitution and damages in California state court (People of the State of California, by and through County of Los Angeles v. Johnson & Johnson, et al., Case No. 23STCV27015). The lawsuit asserts claims for purported violations of the California False Advertising Law, Unfair Competition Law, and public nuisance claims, against multiple manufacturers of talcum powder products, including Shower to Shower®, that the plaintiffs allege caused or contributed to development of ovarian cancer and mesothelioma in residents of California. The lawsuit seeks injunctive relief, restitution, statutory penalties and damages. Pursuant to agreed stipulations, responses to the Complaint are due August 12, 2024.

This action is included in a 42-state Attorneys General settlement reached by Johnson & Johnson, and BHC and its affiliates, including Bausch + Lomb, will be included among the released parties. The entire action will be dismissed once the settlement documents are finalized and all conditions are met. Pending completion of the settlement, the Company and its affiliates dispute the claims against them, and this lawsuit will be defended vigorously.

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 action seeks a declaratory judgment that alleged transfers of certain BHC assets to Bausch + Lomb would constitute a voidable transfer under the New Jersey Voidable Transactions Act and that Bausch + Lomb would be liable for damages, if any, awarded against BHC in the individual opt-out actions. The declaratory judgment action also alleges that the potential future separation of Bausch + Lomb from BHC by distribution of Bausch + Lomb stock to BHC's shareholders 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 Securities Exchange Act of 1934 (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. On March 31, 2022, BHC and Bausch + Lomb removed the

declaratory judgment action to the U.S. District Court for the District of New Jersey. On April 29, 2022, Plaintiffs filed a motion to remand. On November 29, 2022, the District Court granted Plaintiffs' remand motion and the case was remanded to the New Jersey Superior Court Chancery Division. On December 8, 2022, Plaintiffs filed a proposed Order to Show Cause and motion for a preliminary injunction and sought interim relief including expedited discovery. On December 13, 2022, the Court denied Plaintiffs' proposed Order to Show Cause and stayed discovery pending the resolution of BHC's and Bausch + Lomb's forthcoming motions to dismiss, while instructing BHC to provide certain notice to Plaintiffs of the intended completion of a potential future distribution referenced above under certain circumstances. On December 22, 2022, Plaintiffs filed an amended complaint which, among other things, added claims seeking injunctive relief. On January 11, 2023, BHC and Bausch + Lomb moved to dismiss the amended complaint. Briefing was complete on February 24, 2023, and the motion to dismiss was heard on March 3, 2023. On April 3, 2023, the Court issued a decision granting in part and denying in part the motion to dismiss. Discovery is ongoing.

Both BHC and Bausch + Lomb dispute the claims in this declaratory judgment action and intend to vigorously defend this matter.

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 Bausch Health Americas. The motion was fully briefed as of May 2021.The Court held a hearing on the motion on January 25, 2022. On May 12, 2023, the Court issued a Decision and Order denying Bausch Health Americas' motion. On June 14, 2023, Bausch Health Americas filed a Notice of Appeal as to the Decision and Order to the Appellate Division of the New York Supreme Court, First Department. On March 13, 2024, Bausch Health Americas filed its appellant motion and brief with the Appellate Division of the New York Supreme Court, First Department, appealing the trial court's denial of Bausch Health America's motion for summary judgment. Doctors Allergy filed its answering brief on July 26, 2024. Bausch Health Americas is evaluating Doctors Allergy's brief to determine whether a reply brief is necessary. If Bausch Health Americas opts to file a reply brief, it will do so on or before September 13, 2024. If Bausch Health Americas opts not to file a reply brief, then it will promptly request an oral argument date from the Appellate Division. The Appellate Division has not set a date for oral argument. Bausch Health Americas disputes the claims against it and this lawsuit will be defended vigorously.

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. Bausch & Lomb Incorporated ("B&L Inc.") has filed patent infringement proceedings against 19 named defendants in 16 proceedings claiming infringement of these patents and, in certain circumstances, related unfair competition and false advertising causes of action. Thirteen of these proceedings were subsequently settled; two resulted in a default. As of the date of this filing, there is one ongoing action: Bausch & Lomb Inc. & PF Consumer Healthcare 1 LLC v. SBH Holdings LLC, C.A. No. 20-cv-01463-GBW-CJB (D. Del.). Bausch + Lomb remains confident in the strength of these patents and B&L Inc. will continue to vigorously pursue this matter and defend its intellectual property.

Lumify® Paragraph IV Proceedings - DRL

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. Since then, U.S. Patent No. 9,259,425 has been dismissed from the case.

On May 15, 2023, the United States Patent & Trademark Office's Patent Trial and Appeal Board (the "PTAB") issued a Final Written Decision, finding all claims of U.S. Patent No. 8,293,742 unpatentable. This decision has been appealed to the United States Court of Appeals for the Federal Circuit and the appeal is ongoing. Furthermore, two additional patents (U.S.

Patent Nos. 11,596,600 and 11,833,245) have issued and been listed in the Orange Book as related to Lumify®. Lawsuits alleging infringement of these patents were filed against Slayback and its licensee, Dr. Reddy's Laboratories S.A. and Dr. Reddy's Laboratories, Inc. (collectively, "DRL"). On December 15, 2023, B&L Inc., Bausch + Lomb Ireland Limited, and Eye Therapies filed a Motion for a Preliminary Injunction requesting the court to enjoin any infringing activities by DRL and a hearing was held in January. On May 10, 2024, the Court denied Plaintiffs' Motion, finding that Plaintiffs had not proven that they would be "irreparably harmed" absent a preliminary injunction.

Additionally, on December 18, 2023, B&L Inc., Bausch + Lomb Ireland Limited, and Eye Therapies amended its complaint to add claims for copyright infringement, as well as claims under the Lanham Act, including trademark and trade dress infringement. DRL subsequently petitioned for *inter partes* review ("IPR") of U.S. Patent Nos. 11,596,600 and 11,833,245 and the PTAB has not yet issued a decision as to institution of either IPR.

The lawsuit against DRL is ongoing in the District of New Jersey, with no trial date set. Bausch + Lomb remains confident in the strength of the Lumify® related patents and intends to vigorously defend its intellectual property.

In addition to the intellectual property matters described above, in connection with the Vyzulta ® and Lotemax® SM products, the Company has commenced ongoing infringement proceedings against potential generic competitors in the U.S.

17. SEGMENT INFORMATION

Reportable Segments

The Company's CEO, who is the Company's Chief Operating Decision Maker, manages the business through operating and reportable segments consistent with how the Company's CEO: (i) assesses operating performance on a regular basis, (ii) makes resource allocation decisions and (iii) designates responsibilities of his direct reports. The Company operates in the following reportable segments which are generally determined based on the decision-making structure of Bausch + Lomb and the grouping of similar products and services: (i) Vision Care, (ii) Pharmaceuticals and (iii) Surgical.

- ***The Vision 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, OTC eye drops that address various conditions, including eye allergies, conjunctivitis, dry eye and redness relief, and eye vitamin and mineral supplements.
- ***The 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, eye inflammation, ocular hypertension, dry eyes and retinal diseases.
- ***The Surgical segment*** consists of sales of medical device equipment, consumables and technologies for the treatment of cataracts, corneal, vitreous and retinal eye conditions, which includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, 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 Bausch + Lomb, 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 three and six months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Revenues:				
Vision Care	$ 697	$ 646	$ 1,332	$ 1,233
Pharmaceuticals	310	194	577	355
Surgical	209	195	406	378
Total revenues	$ 1,216	$ 1,035	$ 2,315	$ 1,966
Segment profit:				
Vision Care	$ 192	$ 167	$ 370	$ 321
Pharmaceuticals	78	68	131	114
Surgical	4	9	15	20
Total segment profit	274	244	516	455
Corporate	(160)	(128)	(313)	(275)
Amortization of intangible assets	(74)	(56)	(148)	(113)
Other expense, net	(14)	(17)	(23)	(26)
Operating income	26	43	32	41
Interest income	3	5	6	8
Interest expense	(102)	(58)	(201)	(108)
Foreign exchange and other	(3)	(9)	(3)	(15)
Loss before provision for income taxes	$ (76)	$ (19)	$ (166)	$ (74)

Revenues by Segment and by Product Category

Revenues by segment and product category were as follows:

	Vision Care		Pharmaceuticals		Surgical		Total	
	Three Months Ended June 30,							
(in millions)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pharmaceuticals	$ 1	$ 1	$ 244	$ 133	$ —	$ —	$ 245	$ 134
Devices	237	215	—	—	208	193	445	408
OTC	447	421	—	—	—	—	447	421
Branded and Other Generics	10	7	66	61	—	—	76	68
Other revenues	2	2	—	—	1	2	3	4
	$ 697	$ 646	$ 310	$ 194	$ 209	$ 195	$ 1,216	$ 1,035
	Six Months Ended June 30,							
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pharmaceuticals	$ 2	$ 2	$ 452	$ 240	$ —	$ —	$ 454	$ 242
Devices	466	439	—	—	403	375	869	814
OTC	842	774	—	—	—	—	842	774
Branded and Other Generics	18	14	124	115	—	—	142	129
Other revenues	4	4	1	—	3	3	8	7
	$ 1,332	$ 1,233	$ 577	$ 355	$ 406	$ 378	$ 2,315	$ 1,966

The top ten products/franchises represented 55% and 53% of total revenues for the six months ended June 30, 2024 and 2023, respectively.

Geographic Information

Revenues are attributed to a geographic region based on the location of the customer and were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
U.S. and Puerto Rico	$ 610	$ 466	$ 1,147	$ 870
China	93	89	170	163
France	64	62	124	118
Japan	43	46	85	94
Germany	40	40	82	82
United Kingdom	33	29	64	58
Canada	32	27	60	53
Russia	29	26	57	50
Italy	23	22	46	42
Spain	25	24	46	44
Mexico	20	15	37	31
Poland	18	14	33	26
South Korea	11	12	23	23
Other	175	163	341	312
	$ 1,216	$ 1,035	$ 2,315	$ 1,966

Major Customers

Major customers that accounted for 10% or more of total revenues were as follows:

	Six Months Ended June 30,
	2024
McKesson Corporation	10 %

For the six months ended June 30, 2023, no individual customer accounted for 10% or more of total revenues.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Unless the context otherwise indicates, as used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "we," "us," "our," "Bausch + Lomb," the "Company," and similar terms refer to Bausch + Lomb Corporation and its subsidiaries. This "Management's Discussion and Analysis of Financial Condition and Results of Operations" has been updated through August 1, 2024 and should be read in conjunction with the unaudited interim Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (this "Form 10-Q"). The matters discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain certain forward-looking statements within the meaning of Section 27A of The Securities Act of 1933, as amended (the "Act"), and Section 21E of The Securities Exchange Act of 1934, as amended, and that may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "Forward-Looking Statements"). See "Forward-Looking Statements" at the end of this discussion.

Our accompanying unaudited interim Condensed Consolidated Financial Statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the United States Securities and Exchange Commission (the "SEC") for interim financial statements, and should be read in conjunction with our Consolidated Financial Statements for the year ended December 31, 2023, which were included in our Annual Report on Form 10-K filed with the SEC and the Canadian Securities Administrators (the "CSA") on February 21, 2024 (the "Annual Report"). In our opinion, the unaudited interim Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of the financial condition, results of operations and cash flows for the periods indicated. Additional Company information is available on SEDAR+ at www.sedarplus.com and on the SEC website at www.sec.gov. All currency amounts are expressed in U.S. dollars, unless otherwise noted. Certain defined terms used herein have the meaning ascribed to them in the accompanying unaudited interim Condensed Consolidated Financial Statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023.

OVERVIEW

Bausch + Lomb develops, manufactures and markets a range of products, primarily in the areas of eye health, which are marketed directly or indirectly in approximately 100 countries. As a fully integrated eye health business, Bausch + Lomb has a comprehensive portfolio of approximately 400 products, which includes an established line of contact lenses, intraocular lenses ("IOLs") and other medical devices, surgical systems and devices, vitamin and mineral supplements, lens care products, prescription eye-medications and other consumer products that positions us to compete in all areas of the eye health market.

Bausch + Lomb is a subsidiary of Bausch Health Companies Inc. ("BHC"), with BHC holding, directly or indirectly, approximately 88.2% of the issued and outstanding common shares of Bausch + Lomb, as of July 24, 2024. On August 6, 2020, BHC, announced its plan to separate our eye health business into an independent publicly traded entity, separate from the remainder of BHC (the "Separation"). This resulted in the initial public offering of Bausch + Lomb (the "B+L IPO"), and our common shares began trading on the New York Stock Exchange and the Toronto Stock Exchange, in each case under the ticker symbol "BLCO", on May 6, 2022. The completion of the full separation of Bausch + Lomb from the remainder of BHC (the "Separation"), which includes the transfer of all or a portion of BHC's remaining direct or indirect equity interest in Bausch + Lomb to its shareholders (the "Distribution"), is subject to the achievement of targeted debt leverage ratios and the receipt of applicable shareholder and other necessary approvals and other factors and is subject to various risk factors relating to the Separation. Bausch + Lomb understands that BHC continues to believe that completing the Separation makes strategic sense and that BHC continues to evaluate all relevant factors and considerations related to completing the Separation, including those factors described in BHC's public filings. For additional information on the risks related to the Separation, see Item 1A. "Risk Factors — Risks Relating to the Separation" of our Annual Report.

Reportable Segments

Our portfolio of products falls into three operating and reportable segments: (i) Vision Care, (ii) Pharmaceuticals and (iii) Surgical.

The Vision Care segment—includes both our contact lens and consumer eye care businesses, and includes leading products such as our Biotrue® ONEday daily disposables and our Biotrue ® multi-purpose solution.

Our contact lens portfolio spans the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses, and contact lenses that are indicated for therapeutic use and that can also provide optical correction during

healing, if required. In particular, our Vision Care contact lens portfolio includes our Bausch + Lomb INFUSE ® (silicone hydrogel ("SiHy")) daily disposable contact lenses, Biotrue® ONEday daily disposables, PureVision® SiHy contact lenses, SofLens® daily disposables and Bausch + Lomb ULTRA® contact lenses.

Our consumer eye care business consists of contact lens care products, over-the-counter ("OTC") eye drops that address various conditions, including eye allergies, conjunctivitis, dry eye and redness relief, and eye vitamins and mineral supplements. Within our consumer eye care business, our lens care product portfolio includes Biotrue® and Renu® multipurpose solutions and Boston® cleaning and conditioning solutions, our eye drops include Lumify®, Soothe®, Artelac®, Alaway® and Mioclear® and our eye vitamins include PreserVision ® and Ocuvite®.

The Pharmaceuticals segment—consists of a broad line of proprietary and generic 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. Key proprietary pharmaceutical brands are MIEBO®, Vyzulta®, Lotemax®, Prolensa® and Minims®. In addition, during September 2023, the Company acquired XIIDRA ® (as further discussed below), which complements and grows the Company's existing dry eye franchise.

The Surgical segment— consists of medical device equipment, consumables and technologies for the treatment of cataracts, corneal, vitreous and retinal eye conditions, which includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery. Key surgical brands include Akreos®, AMVISC®, IC-8® Apthera™, Crystalens® IOLs, enVista® IOLs, Millennium®, Stellaris Elite® vision enhancement system, Synergetics®, ClearVisc®, StableVisc™, Storz® ophthalmic instruments, VICTUS® femtosecond laser, Teneo™, Eyefill ® and Zyoptix®.

Product Development

We continuously search for new product opportunities through internal development, strategic licensing agreements and acquisitions, that, if successful, will allow us to leverage our commercial footprint and supplement our existing product portfolio and address specific unmet needs in the market.

Our team of approximately 850 dedicated Research and Development ("R&D") employees is focused on advancing our pipeline and identifying new product opportunities and we believe we have a significant innovation opportunity today. We plan to develop and, where applicable, commercialize our global pipeline of over 60 projects, many of which are global projects being developed in and for multiple countries. These global and individual projects are in various stages of pre-clinical and clinical development, including new contact lenses for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry eye, novel formulation for eye vitamins and preservative free formulation of eye drops, among others, that are designed to grow our portfolio and accelerate future growth.

Our internal R&D organization focuses on the development of products through robust bench testing that is designed to comply with international standards and through clinical trials. Certain key near-term pipeline products that have received a significant portion of our R&D investment in current and prior periods are listed below.

- SiHy Daily - A silicone hydrogel daily disposable contact lens designed to provide outstanding comfort and clear vision throughout the day. To date SiHy Daily has been launched in over 50 countries, under the brand names INFUSE®, BAUSCH + LOMB ULTRA® ONE DAY and AQUALOX® ONE DAY. We continue to plan to launch our SiHy Daily lenses into additional countries throughout 2024. In addition, we launched our first silicone hydrogel daily disposable multifocal contact lens in May 2023, and launched a toric lens in the U.S. in June 2024.

- Lumify® (brimonidine tartrate ophthalmic solution, 0.025%) - An OTC redness reliever eye drop that significantly reduces redness to help eyes look whiter and brighter, revealing eyes' natural beauty. To date, we have launched and acquired the right to launch Lumify® in various countries. We also have new line extension formulations that were recently launched or are under development, including: (i) Lumify Eye Illuminations™, three clinically proven products for the sensitive eye area which launched in the U.S. in September 2023 and (ii) Lumify® Preservative Free, for which the New Drug Application ("NDA") was approved by the U.S. Food and Drug Administration (the "FDA") in April 2024 and we anticipate launching in the first quarter of 2025.

- Blink™ NutriTears® - During June 2024, we expanded our over-the-counter dry eye portfolio with the launch of Blink ™ NutriTears®, a clinically proven OTC supplement that targets the key root causes of dry eyes, promotes healthy tear production and provides noticeable relief of eye dryness symptoms.

- MIEBO® (perfluorohexyloctane) (formerly known as NOV03) – In December 2019, we acquired an exclusive license from Novaliq GmbH (the "Novaliq License") for the commercialization and development in the U.S. and Canada of MIEBO® for the treatment of the signs and symptoms of dry eye disease ("DED"). The NDA was filed with the FDA in June 2022, approved by the FDA on May 18, 2023 and launched in the U.S. in September 2023.

The Canadian approval of this product, submitted during the first quarter of 2023, is ongoing. MIEBO ® is the first and only FDA-approved treatment for DED that directly targets tear evaporation and we believe the addition of MIEBO® will help build upon our strong portfolio of integrated eye health products.

- LuxLife® – We are expanding our portfolio of premium IOLs built on the “Lux” platform with the LuxLife ® Trifocal IOL with two options, non-Toric and Toric for astigmatic patients. This product is expected to be launched in various European markets in 2025.
- enVista® – We are expanding our portfolio of premium IOLs built on the enVista ® platform with enVista Aspire ™ (Monofocal Plus), enVista Envy™ Trifocal and enVista Beyond ™ (extended depth of focus (“EDOF”)) optical designs with two options: non-Toric and Toric for astigmatism patients. enVista Aspire ™ monofocal and toric IOLs with Intermediate Optimized optics launched in the U.S. during October 2023 and we anticipate launching in Europe and Canada in 2025. enVista Envy™ launched in Canada in June 2024 and we anticipate launching enVista Envy ™ in the U.S. during the fourth quarter of 2024 and in Europe in 2025. We anticipate launching enVista Beyond™ in the U.S. in 2026.

Strategic Acquisitions and Licensing Agreements

To supplement our internal R&D initiatives and to build-out and refresh our product portfolio, we also search for opportunities to augment our pipeline through arrangements that allow us to gain access to unique products and investigational treatments, by strategically aligning ourselves with other innovative product solutions. In addition to licensing agreements, we selectively consider acquisitions that we believe align well with our current organization and strategic plan to help drive profitable growth and advance our mission of helping people see better to live better. Certain recent strategic acquisitions and licensing agreements that we have entered into include the following:

- Acquisition of Trukera – In July 2024, we acquired Trukera Medical, from its private equity owner, AccelMed Partners, and other shareholders. Trukera Medical, a U.S.-based privately held ophthalmic medical diagnostic company, commercializes ScoutPro®, a point-of-care portable device for precisely measuring osmolarity, or the salt content of a person’s tears. This acquisition is expected to expand the Company's presence in the dry eye market.
- Acquisition of XIIDRA® – In September 2023, the Company acquired XIIDRA ®, the first and only non-steroid eye drop specifically approved to treat the signs and symptoms of dry eye disease focusing on inflammation associated with dry eye, and certain other ophthalmology assets from Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, “Novartis”) (the “XIIDRA Acquisition”). The XIIDRA Acquisition complements and grows our existing dry eye franchise.
- Acquisition of Blink® Product Line – In July 2023, we acquired the Blink ® OTC product line of eye and contact lens drops from Johnson & Johnson Vision, which consists of Blink® Tears Lubricating Eye Drops, Blink® Tears Preservative Free Lubricating Eye Drops, Blink GelTears® Lubricating Eye Drops, Blink® Triple Care Lubricating Eye Drops, Blink Contacts® Lubricating Eye Drops and Blink-N-Clean ® Lens Drops (collectively, the “Blink ® Product Line”). This acquisition has enabled us to continue to grow our global OTC business.
- Acquisition of AcuFocus – During January 2023, we acquired AcuFocus, Inc. ("AcuFocus"). AcuFocus is an ophthalmic medical device company that has delivered breakthrough small aperture intraocular technology to address diverse unmet needs in eye care. The IC-8® Apthera™ IOL was approved by the FDA in July 2022 as the first and only small aperture non-toric EDOF IOL for certain cataract patients who have as much as 1.5 diopters of corneal astigmatism and wish to address presbyopia at the same time. We believe that the IC-8® Apthera™ IOL will bolster our surgical portfolio by enhancing our IOL offerings, which is a strategic area of focus for the Company.

We regularly consider further strategic licensing and acquisition opportunities, some of which could be material in size.

Business Trends

In addition to the actions previously outlined, the events described below have affected and may affect our business trends. The matters discussed in this section contain Forward-Looking Statements. Please see “Forward-Looking Statements” for additional information.

Russia-Ukraine War

In February 2022, Russia invaded Ukraine. As military activity and sanctions against Russia, Belarus and specific areas of Ukraine have continued, the war has continued to affect economic and global financial markets and placed further pressure on ongoing economic challenges, including issues such as inflation and global supply-chain disruption.

The Biden administration has imposed U.S. sanctions and export controls against Russia and Belarus in response to the ongoing war. These sanctions temporarily impacted our ability to distribute our U.S. manufactured contact lenses and our U.S. surgical products to Russia and Belarus. However, in response to these sanctions, we applied for licenses with the U.S. Department of Commerce's Bureau of Industry and Security for both Russia and Belarus and we have all licenses necessary to allow us to sell the applicable currently sanctioned products in each of these countries.

In addition, the EU has also imposed several rounds of sanctions against Russia. We continue to assess the impact of these EU sanctions on our operations in, and services provided through, the EU. We have obtained licenses, where required, for products provided to Russia from the EU, and we have identified certain "controlled" business services for which we are in the process of pursuing licenses from the relevant EU member states.

To date, the challenges associated with the Russia-Ukraine War and related sanctions from the U.S., EU and elsewhere have not yet had a material impact on our operations; although, as noted above, we continue to review recent EU sanctions and are still assessing their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus, in the aggregate, were approximately 3% of our total revenues for, both, the six months ended June 30, 2024 and year ended December 31, 2023. In addition, we do not have any research or manufacturing facilities in Russia, Ukraine or Belarus. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company's business.

For a further discussion of these and other risks relating to our international business, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations- Business Trends" of our Annual Report.

Israel-Hamas Conflict

The conflict between Israel and Hamas began during October 2023 and continues to impact the region. Our revenues attributable to Israel and Iran for the six months ended June 30, 2024 and year ended December 31, 2023 were less than 1% of our total revenues in each period. Sales in Iran are covered by a general OFAC license. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company's business.

For a further discussion of these and other risks relating to our international business, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations- Business Trends" of our Annual Report.

Supply Chain

Over the past few years we had experienced supply chain challenges, which had caused disruptions in availability and delays in shipping. We had therefore implemented actions to help mitigate those challenges, including strategically spot buying key components of inventory and securing multiple supply sources. While we will continue to monitor any future supply chain challenges, the actions taken to mitigate our previous challenges has resulted in higher cost of inventory, which in turn has put pressure on our margins, primarily within our surgical business.

Global Minimum Corporate Tax Rate

On October 8, 2021, the Organisation for Economic Co-operation and Development ("OECD")/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework") published a statement updating and finalizing the key components of a two-pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The timetable for implementation has since been extended to 2024 or, with respect to certain components of the plan, to 2025. The Inclusive Framework plan has now been agreed to by 147 OECD members, including several countries which did not agree to the initial plan. Under pillar one, a portion of the residual profits of multinational businesses with global turnover above €20 billion and a profit margin above 10% will be allocated to market countries where such allocated profits would be taxed. Under pillar two, the Inclusive Framework has agreed on a global minimum corporate tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. On October 30, 2021, the G20 formally endorsed the new global minimum corporate tax rate rules. The Inclusive Framework agreement must now be implemented by the OECD Members who have agreed to the plan, effective in 2024. Many members of the Inclusive

Framework have either introduced or announced their intention to introduce certain components of the global minimum tax in line with the model rules for fiscal years beginning on or after December 31, 2023. For example, on December 15, 2022, the European Union member states unanimously adopted the directive to implement pillar two rules. According to the directive, the member states were expected to enact pillar two rules into domestic law in 2023, with certain elements becoming effective for fiscal years beginning on or after December 31, 2023. On August 4, 2023, Canada released draft legislation to enact certain components of the pillar two proposals into Canadian law as the Global Minimum Tax Act ("GMTA"), which was enacted on June 20, 2024. The GMTA is generally aligned with the model rules proposed by the OECD and is effective for fiscal years beginning on or after December 31, 2023. The United States did not announce plans to enact the tax measures under the two-pillar plan. On February 1, 2023, the U.S. Financial Accounting Standards Board indicated that they believe the minimum tax imposed under pillar two is an alternative minimum tax, and, accordingly, deferred tax assets and liabilities associated with the minimum tax would not be recognized or adjusted for the estimated future effects of the minimum tax but would be recognized in the period incurred. The OECD has published model rules and other guidance with respect to pillar two, which are generally consistent with the agreement reached by the Inclusive Framework in October 2021. On February 1, 2023, the Inclusive Framework released a package of technical and administrative guidance on the implementation of pillar two, including the scope of companies that will be subject to the Global Anti-Base Erosion Rules, transition rules, and guidance on domestic minimum taxes that countries may choose to adopt, among other topics. On December 18, 2023 the OECD announced plans to release additional guidance on model rules and to start the peer review process in 2024. On June 17, 2024, the OECD published further administrative guidance to clarify the operation of the model rules. While many jurisdictions in which the Company operates have adopted the global minimum tax provision of the OECD pillar two effective for tax years beginning in January 2024, the Company has concluded that there is minimal impact to its 2024 tax rate due to the accounting for the tax effects of intercompany transactions. The Company expects that there is risk that the impact of the global minimum tax may eventually result in an increase to its overall effective tax rate.

Health Care Reform

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. Many of these changes focus on health care cost containment, which result in pricing pressures relating to the sales and reimbursements of health care products. The Biden administration and Congress continue to focus on health care cost containment which could result in legislative and regulatory changes that may negatively impact our businesses.

In addition, we continue to face various proposed health care pricing changes and regulations from governments throughout the world in locations in which we operate our business. These proposed changes may also continue to result in pricing pressures relating to sales, promotions and reimbursement of our product portfolio.

We continually review newly enacted and proposed U.S. federal and state legislation, as well as proposed rulemaking and guidance published by the U.S. Department of Health and Human Services, the FDA and applicable foreign governments in locations in which we operate; however, at this time, it is unclear the effect these matters may have on our businesses.

Generic Competition and Loss of Exclusivity

Certain of our products face the expiration of their patent or regulatory exclusivity, following which we anticipate generic competition of these products. Following a loss of exclusivity ("LOE") of and/or generic competition for a product, we would anticipate that product sales for such product would decrease significantly shortly following the LOE or entry of a generic competitor. Where we have the rights, we may elect to launch an authorized generic ("AG") of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales.

Prolensa® began facing LOE in the fourth quarter of 2023, which in the aggregate accounted for approximately 1% of our total revenues in 2023. While we expect our risk of LOE to be limited over the next five years, this could change based on, among other things, successful challenge to our patents, settlement of existing or future patent litigation and at-risk generic launches. We believe the entry into the market of generic competition generally would have an adverse impact on the volume and/or pricing of the affected products, however we are unable to predict the magnitude or timing of this impact.

In addition, in connection with our Lumify®, PreserVision®, Vyzulta® and Lotemax® SM products, we have commenced ongoing infringement proceedings against potential generic competitors or other potential infringers in the U.S. If we are not successful in these proceedings, we may face increased generic competition for these products.

In addition, the PreserVision® U.S. formulation patent expired in March 2021, but a patent covering methods of using the formulation remains in force into 2026. PreserVision® products accounted for approximately 7% and 7% of our total revenues in 2023 and 2022, respectively. PreserVision® is (or was) the subject of certain ongoing and past patent infringement proceedings. While the Company cannot predict the magnitude or timing of the impact from the PreserVision®

patent expiry, this is an OTC product and thus, the impact is not expected to be as significant as the LOE of a branded pharmaceutical product.

See Note 16, “LEGAL PROCEEDINGS” to our unaudited interim Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q, as well as Note 20, “LEGAL PROCEEDINGS” of our audited Consolidated Financial Statements for the year ended December 31, 2023, included in our Annual Report, for further details regarding certain of these infringement proceedings.

The risks of generic competition are a fact of the eye health industry and are not specific to our operations or product portfolio. These risks are not avoidable, but we believe they are manageable. To manage these risks, our leadership team routinely evaluates the impact that generic competition may have on future profitability and operations. In addition to aggressively defending our patents and other intellectual property, our leadership team makes operational and investment decisions regarding these products and businesses at risk, including decisions regarding our pipeline. Our leadership team actively manages our pipeline in order to identify innovative and realizable projects that are expected to provide incremental and sustainable revenues and growth into the future. We believe that we have a well-established product portfolio that is diversified within our core businesses. We also believe that we have a robust pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

See the section entitled “Risk Factors” included in our Annual Report, for additional information on the risks associated with our intellectual property and our competition risks.

RESULTS OF OPERATIONS

Our unaudited operating results for the three and six months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Revenues						
Product sales	$ 1,213	$ 1,031	$ 182	$ 2,307	$ 1,959	$ 348
Other revenues	3	4	(1)	8	7	1
	1,216	1,035	181	2,315	1,966	349
Expenses						
Cost of goods sold (excluding amortization and impairments of intangible assets)	482	417	65	905	788	117
Cost of other revenues	1	—	1	2	1	1
Selling, general and administrative (Note 4)	535	417	118	1,039	835	204
Research and development	84	85	(1)	166	162	4
Amortization of intangible assets	74	56	18	148	113	35
Other expense, net	14	17	(3)	23	26	(3)
	1,190	992	198	2,283	1,925	358
Operating income	26	43	(17)	32	41	(9)
Interest income	3	5	(2)	6	8	(2)
Interest expense	(102)	(58)	(44)	(201)	(108)	(93)
Foreign exchange and other	(3)	(9)	6	(3)	(15)	12
Loss before provision for income taxes	(76)	(19)	(57)	(166)	(74)	(92)
Provision for income taxes	(72)	(10)	(62)	(145)	(43)	(102)
Net loss	(148)	(29)	(119)	(311)	(117)	(194)
Net income attributable to noncontrolling interest	(3)	(3)	—	(7)	(5)	(2)
Net loss attributable to Bausch + Lomb Corporation	$ (151)	$ (32)	$ (119)	$ (318)	$ (122)	$ (196)

Three Months Ended June 30, 2024 Compared to the Three Months Ended June 30, 2023

Revenues

Our 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, IOLs 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 17, “SEGMENT INFORMATION” to our unaudited interim Condensed Consolidated Financial Statements 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.

Our revenues were $1,216 million and $1,035 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $181 million, or 17%. The increase was attributable to: (i) incremental sales attributable to acquisitions of $104 million, primarily within our Pharmaceuticals segment, (ii) increased volumes of $75 million across each of our segments and (iii) increased net realized pricing of $31 million, primarily driven by our Vision Care segment. The increases in revenue were partially offset by: (i) the unfavorable impact of foreign currencies of $27 million, primarily in Asia, and (ii) the impact of divestitures and discontinuations of $2 million, particularly the discontinuation of certain products within our Pharmaceuticals segment.

The following table presents segment revenues, segment revenues as a percentage of total revenues and the period-over-period changes in segment revenues for the three months ended June 30, 2024 and 2023.

	2024		2023		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Revenues						
Vision Care	$ 697	57 %	$ 646	62 %	$ 51	8 %
Pharmaceuticals	310	26 %	194	19 %	116	60 %
Surgical	209	17 %	195	19 %	14	7 %
Total revenues	$ 1,216	100 %	$ 1,035	100 %	$ 181	17 %

Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)

Constant Currency Revenue Growth, a non-GAAP measure, is defined as a change in Revenues (its most directly comparable GAAP financial measure) on a period-over-period basis adjusted for changes in foreign currency exchange rates (if applicable). The Company uses Constant Currency Revenues (non-GAAP) and Constant Currency Revenue Growth (non-GAAP) to assess performance of its reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

Although changes in foreign currency exchange rates are part of our business, they are not within management’s control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the underlying business performance. The impact for changes in foreign currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

Non-GAAP financial measures and non-GAAP ratios are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, the Company’s non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP financial measures and ratios used by other companies.

The following table presents a reconciliation of Revenues to constant currency revenues (non-GAAP) and the period-over-period changes in constant currency revenue (non-GAAP) for the three months ended June 30, 2024 and 2023.

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023	Change in Constant Currency Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Constant Currency Revenue (Non-GAAP)	Revenue as Reported	Amount	Pct.
Vision Care	$ 697	$ 20	$ 717	$ 646	$ 71	11 %
Pharmaceuticals	310	3	313	194	119	61 %
Surgical	209	4	213	195	18	9 %
Total	$ 1,216	$ 27	$ 1,243	$ 1,035	$ 208	20 %

Vision Care Segment Revenue

The Vision Care segment revenue was $697 million and $646 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $51 million, or 8%. The increase was primarily driven by sales from our dry eye portfolio, Lumify® and PreserVision® within our consumer eye care business and SiHy Daily lenses and Ultra ® within our contact lens business. This increase included: (i) an increase in volumes of $29 million, (ii) an increase in net pricing of $27 million and (iii) incremental sales attributable to acquisitions driven by the acquisition of the Blink® Product Line in July 2023, partially offset by the unfavorable impact of foreign currencies of $20 million, primarily in Asia and Russia.

Our 2023 revenues were negatively impacted due to previously unfulfilled orders at our Lynchburg distribution facility. During the second quarter of 2023, we put into place a system upgrade; however, we incurred disruptions during the implementation of this upgrade, which resulted in slower than normal processing of certain orders, thereby negatively impacting our revenues for the three months ended June 30, 2023. We substantially resolved the Lynchburg implementation disruptions during the first quarter of 2024.

Pharmaceuticals Segment Revenue

The Pharmaceuticals segment revenue was $310 million and $194 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $116 million, or 60%. The increase was primarily driven by: (i) the XIIDRA Acquisition and (ii) the launch of MIEBO® in September 2023. This increase included: (i) incremental sales from the XIIDRA Acquisition of $89 million and (ii) an increase in volumes of $34 million, partially offset by: (i) the unfavorable effect of foreign currencies of $3 million, (ii) a decrease in net realized pricing of $2 million and (iii) the impact of discontinuations of $2 million.

Surgical Segment Revenue

The Surgical segment revenue was $209 million and $195 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $14 million, or 7%. The increase was primarily driven by: (i) increased system sales, (ii) increased demand of consumables and (iii) increased demand of implantables, driven by our premium IOL portfolio. This increase included: (i) an increase in volumes of $12 million and (ii) an increase in net realized pricing of $6 million, partially offset by the unfavorable effect of foreign currencies of $4 million.

Cash Discounts and Allowances, Chargebacks and Distribution Fees

As is customary in the health care industry, gross product sales are subject to a variety of deductions in arriving at net product sales. Provisions for these deductions are recognized concurrently with the recognition of gross product sales. These provisions include cash discounts and allowances, chargebacks and distribution fees, which are paid or credited to direct customers, as well as rebates and returns, which can be paid or credited to direct and indirect customers. Provision balances relating to amounts payable to direct customers are netted against trade receivables and balances relating to indirect customers are included in accrued liabilities.

We actively manage these offerings, focusing on the incremental costs of our patient assistance programs, the level of discounting to non-retail accounts and identifying opportunities to minimize product returns. We also concentrate on managing our relationships with our payors and wholesalers, reviewing the ranges of our offerings and being disciplined as to the amount and type of incentives we negotiate. Provisions recorded to reduce gross product sales to net product sales and revenues for the three months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended June 30,			
	2024		2023	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 1,879	100.0 %	$ 1,454	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	109	5.8 %	97	6.7 %
Returns	24	1.3 %	18	1.2 %
Rebates	355	18.9 %	146	10.0 %
Chargebacks	158	8.4 %	156	10.8 %
Distribution fees	20	1.0 %	6	0.4 %
Total provisions	666	35.4 %	423	29.1 %
Net product sales	1,213	64.6 %	1,031	70.9 %
Other revenues	3		4	
Revenues	$ 1,216		$ 1,035	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 35.4% and 29.1% for the three months ended June 30, 2024 and 2023, respectively, an increase of 6.3% percentage points, and is primarily attributable to the increase in rebates, primarily as a result of XIIDRA® and MIEBO®.

Operating Expenses

Cost of Goods Sold (exclusive of amortization and impairments of intangible assets)

Cost of goods sold primarily includes: manufacturing and packaging; the cost of products we purchase from third parties; royalty payments we make to third parties; depreciation of manufacturing facilities and equipment; and lower of cost or market adjustments to inventories. Cost of goods sold typically vary between periods as a result of product mix, volume, royalties, changes in foreign currency and inflation. Cost of goods sold excludes the amortization and impairments of intangible assets.

Cost of goods sold was $482 million and $417 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $65 million, or 16%. The increase was primarily driven by costs of sales associated with acquisitions entered into subsequent to June 30, 2023, which includes the amortization of an interim contract and inventory step-up, partially offset by the favorable impact of foreign currencies on cost of goods sold.

Contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) increased by $117 million, primarily driven by: (i) the increase in volumes, including related to the launch of MIEBO® during September 2023, (ii) contribution associated with acquisitions entered into subsequent to June 30, 2023 and (iii) the increase in net realized pricing, as previously discussed. These increases were partially offset by the unfavorable impact of foreign currencies.

Cost of goods sold as a percentage of Product sales was 39.7% and 40.4% for the three months ended June 30, 2024 and 2023, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses primarily include: employee compensation associated with sales and marketing, finance, legal, information technology, human resources and other administrative functions; certain outside legal fees and consultancy costs; product promotion expenses; overhead and occupancy costs; depreciation of corporate facilities and equipment; and other general and administrative costs.

SG&A expenses were $535 million and $417 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $118 million, or 28%. The increase was primarily attributable to: (i) higher selling and advertising and promotion costs, primarily attributable to XIIDRA® and the launch of MIEBO ® and (ii) higher professional fees.

Research and Development Expenses

Included in R&D are costs related to our product development and quality assurance programs. Expenses related to product development include: employee compensation costs; overhead and occupancy costs; depreciation of research and development facilities and equipment; clinical trial costs; clinical manufacturing and scale-up costs; and other third-party

development costs. Quality assurance are the costs incurred to meet evolving customer and regulatory standards and include: employee compensation costs; overhead and occupancy costs; amortization of software; and other third-party costs.

R&D expenses were $84 million and $85 million for the three months ended June 30, 2024 and 2023, respectively, a decrease of $1 million, or 1%.

Amortization of Intangible Assets

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally 3 to 17 years. Management continually assesses the useful lives related to our long-lived assets to reflect the most current assumptions.

Amortization of Intangible assets was $74 million and $56 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $18 million, or 32%, primarily due to assets acquired through acquisitions, as previously discussed, partially offset by fully amortized intangible assets no longer being amortized in 2024.

See Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our unaudited interim Condensed Consolidated Financial Statements for further details related to the Amortization of intangible assets.

Other expense, net

Other expense, net for the three months ended June 30, 2024 and 2023 consists of the following:

	Three Months Ended June 30,	
(in millions)	**2024**	**2023**
Asset impairments	$ 5	$ —
Restructuring and integration costs	6	14
Gain on sale of assets	(1)	—
Litigation and other matters	—	—
Acquisition-related costs	1	2
Acquisition-related contingent consideration	—	1
Other, net	3	—
Other expense, net	$ 14	$ 17

Operating income

Operating income was $26 million and $43 million for the three months ended June 30, 2024 and 2023, respectively, a decrease of $17 million. This decrease primarily reflects the increases in SG&A and amortization expense, partially offset by the increase in contribution, each as previously discussed.

Segment Profit

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets and Other expense, net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. Segment profit is a measure of operating performance of our reportable segments and may not be comparable to similar measures reported by other companies. Segment profit is a performance metric utilized by the Company’s CEO, who is the Company’s Chief Operating Decision Maker, to allocate resources to and assess performance of the Company’s segments. See Note 17, “SEGMENT INFORMATION” to our unaudited interim Condensed Consolidated Financial Statements for a reconciliation of segment profit to Income before provision for income taxes.

The following table presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the three months ended June 30, 2024 and 2023.

	2024		2023		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Profits / Segment Profit Margins						
Vision Care	$ 192	28 %	$ 167	26 %	$ 25	15 %
Pharmaceuticals	78	25 %	68	35 %	10	15 %
Surgical	4	2 %	9	5 %	(5)	(56)%

Vision Care Segment Profit

The Vision Care segment profit was $192 million and $167 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $25 million, or 15%. The increase was primarily driven by increased contribution, driven by the increases in volume and pricing, as previously discussed. The increase in contribution was partially offset by higher advertising and promotional expenses in our consumer eye care business driven by the Blink® OTC product line, acquired in July 2023 and Blink™ NutriTears®, which began launching in June 2024.

Pharmaceuticals Segment Profit

The Pharmaceuticals segment profit was $78 million and $68 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $10 million, or 15%. The increase was primarily driven by increased contribution, primarily driven by XIIDRA® and MIEBO®, partially offset by selling and advertising and promotional expenses related to XIIDRA ® and MIEBO®.

Surgical Segment Profit

The Surgical segment profit was $4 million and $9 million for the three months ended June 30, 2024 and 2023, respectively, a decrease of $5 million, or 56%, primarily due to the increase in revenues being more than offset by: (i) higher cost of sales and (ii) higher selling expenses.

Non-Operating Income and Expense

Interest Expense

Interest expense primarily consists of interest payments due, amortization of debt discounts and deferred issuance costs on indebtedness under our credit facilities.

Interest expense was $102 million and $58 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $44 million. The increase is primarily attributable to: (i) interest expense associated with our October 2028 Secured Notes and September 2028 Term Facility (each as defined and discussed in further detail, under Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt") and (ii) interest expense related to the outstanding balance under our Revolving Credit Facility (as defined and discussed in further detail, under Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt"). See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for further details regarding the October 2028 Secured Notes, September 2028 Term Facility and the Revolving Credit Facility.

Foreign Exchange and Other

Foreign exchange and other primarily includes translation gains/losses on intercompany balances and third-party liabilities and the gain/loss due to the change in fair value of foreign currency exchange contracts. Foreign exchange and other was a net loss of $3 million and $9 million for the three months ended June 30, 2024 and 2023, respectively.

Income Taxes

Provision for income taxes were $72 million and $10 million for the three months ended June 30, 2024 and 2023, respectively, an increase of $62 million. The increase in income taxes was primarily related to: (i) a change in the jurisdictional mix of earnings and (ii) discrete tax effects of: (a) a reduction of certain tax attributes recorded in the previous year, (b) the filings of certain tax returns and (c) a change in the deduction for stock compensation.

See Note 14, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Net loss attributable to Bausch + Lomb Corporation

Net loss attributable to Bausch + Lomb Corporation was $151 million and $32 million for the three months ended June 30, 2024 and 2023, respectively, a decrease in our results of $119 million and was primarily due to: (i) the increase in the provision for income taxes of $62 million, (ii) the increase in interest expense of $44 million and (iii) the decrease in our operating results of $17 million, each as previously discussed.

Six Months Ended June 30, 2024 Compared to the Six Months Ended June 30, 2023

Revenues

Our revenues were $2,315 million and $1,966 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $349 million, or 18%. The increase was attributable to: (i) incremental sales attributable to acquisitions of $192 million, primarily within our Pharmaceuticals segment, (ii) increased volumes of $145 million across each of our segments and (iii) increased net realized pricing of $63 million, primarily driven by our Vision Care segment. The increases in revenue were partially offset by: (i) the unfavorable impact of foreign currencies of $47 million, primarily in Asia, and (ii) the impact of divestitures and discontinuations of $4 million, particularly the discontinuation of certain products within our Pharmaceuticals and Vision Care segments.

The following table presents segment revenues, segment revenues as a percentage of total revenues and the period-over-period changes in segment revenues for the six months ended June 30, 2024 and 2023.

	2024		2023		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Vision Care	$ 1,332	57 %	$ 1,233	63 %	$ 99	8 %
Pharmaceuticals	577	25 %	355	18 %	222	63 %
Surgical	406	18 %	378	19 %	28	7 %
Total revenues	$ 2,315	100 %	$ 1,966	100 %	$ 349	18 %

Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)

The following table presents a reconciliation of Revenues to constant currency revenues (non-GAAP) and the period-over-period changes in constant currency revenue (non-GAAP) for the six months ended June 30, 2024 and 2023. Constant Currency Revenues (non-GAAP) and Constant Currency Revenue Growth (non-GAAP) are defined in the previous section titled “Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)”.

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023	Change in Constant Currency Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Constant Currency Revenue (Non-GAAP)	Revenue as Reported	Amount	Pct.
Vision Care	$ 1,332	$ 38	$ 1,370	$ 1,233	$ 137	11 %
Pharmaceuticals	577	4	581	355	226	64 %
Surgical	406	5	411	378	33	9 %
Total	$ 2,315	$ 47	$ 2,362	$ 1,966	$ 396	20 %

Vision Care Segment Revenue

The Vision Care segment revenue was $1,332 million and $1,233 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $99 million, or 8%. The increase was primarily driven by sales from our dry eye portfolio, PreserVision® and Lumify® within our consumer eye care business and SiHy Daily lenses within our contact lens business. This increase included: (i) an increase in net pricing of $63 million, (ii) an increase in volumes of $51 million and (iii) incremental sales attributable to acquisitions driven by the acquisition of the Blink® Product Line in July 2023, partially offset by: (i) the unfavorable impact of foreign currencies of $38 million, primarily in Asia and Russia, and (ii) the impact of discontinuations.

Our 2023 revenues were negatively impacted due to previously unfulfilled orders at our Lynchburg distribution facility. During the second quarter of 2023, we put into place a system upgrade; however, we incurred disruptions during the implementation of this upgrade, which resulted in slower than normal processing of certain orders, thereby negatively impacting our revenues for the six months ended June 30, 2023. We substantially resolved the Lynchburg implementation disruptions during the first quarter of 2024.

Pharmaceuticals Segment Revenue

The Pharmaceuticals segment revenue was $577 million and $355 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $222 million, or 63%. The increase was primarily driven by: (i) the XIIDRA Acquisition, (ii) the launch of MIEBO® in September 2023 and (iii) increased demand of certain products within our generics business. This increase included: (i) incremental sales from the XIIDRA Acquisition of $168 million and (ii) an increase in volumes of $72 million, partially offset by: (i) a decrease in net realized pricing of $11 million, (ii) the unfavorable effect of foreign currencies of $4 million and (iii) the impact of discontinuations of $3 million.

Surgical Segment Revenue

The Surgical segment revenue was $406 million and $378 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $28 million, or 7%. The increase was primarily driven by: (i) increased demand of consumables, (ii) increased demand of implantables, driven by our premium IOL portfolio and (iii) increased system sales. This increase included: (i) an increase in volumes of $22 million and (ii) an increase in net realized pricing of $11 million, partially offset by the unfavorable effect of foreign currencies of $5 million.

Cash Discounts and Allowances, Chargebacks and Distribution Fees

Provisions recorded to reduce gross product sales to net product sales and revenues for the six months ended June 30, 2024 and 2023 were as follows:

	Six Months Ended June 30,			
	2024		2023	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 3,606	100.0 %	$ 2,734	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	208	5.8 %	180	6.6 %
Returns	48	1.3 %	36	1.3 %
Rebates	688	19.1 %	280	10.2 %
Chargebacks	318	8.8 %	268	9.8 %
Distribution fees	37	1.0 %	11	0.4 %
Total provisions	1,299	36.0 %	775	28.3 %
Net product sales	2,307	64.0 %	1,959	71.7 %
Other revenues	8		7	
Revenues	$ 2,315		$ 1,966	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 36.0% and 28.3% for the six months ended June 30, 2024 and 2023, respectively, an increase of 7.7% percentage points, and is primarily attributable to the increase in rebates, primarily as a result of XIIDRA® and MIEBO®.

Operating Expenses

Cost of Goods Sold (exclusive of amortization and impairments of intangible assets)

Cost of goods sold was $905 million and $788 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $117 million, or 15%. The increase was primarily driven by: (i) costs of sales associated with acquisitions entered into subsequent to June 30, 2023, which includes the amortization of an interim contract and inventory step-up, and (ii) higher volumes.

Contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) increased by $231 million, primarily driven by: (i) the increase in volumes, including related to the launch of MIEBO® during September 2023, (ii) contribution associated with acquisitions entered into subsequent to June 30, 2023 and (iii) the increase in net realized pricing, as previously discussed. These increases were partially offset by the unfavorable impact of foreign currencies.

Cost of goods sold as a percentage of Product sales was 39.2% and 40.2% for the six months ended June 30, 2024 and 2023, respectively.

Selling, General and Administrative Expenses

SG&A expenses were $1,039 million and $835 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $204 million, or 24%. The increase was primarily attributable to higher selling and advertising and promotion costs, primarily attributable to XIIDRA®, the launch of MIEBO® within our Pharmaceuticals segment and Lumify® and the Blink® product line within our U.S. consumer business.

Research and Development Expenses

R&D expenses were $166 million and $162 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $4 million, or 2%, primarily due to certain products in development, as previously discussed.

Amortization of Intangible Assets

Amortization of Intangible assets was $148 million and $113 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $35 million, or 31%, primarily due to assets acquired through acquisitions, as previously discussed, partially offset by fully amortized intangible assets no longer being amortized in 2024.

See Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our unaudited interim Condensed Consolidated Financial Statements for further details related to the Amortization of intangible assets.

Other expense, net

Other expense, net for the six months ended June 30, 2024 and 2023 consists of the following:

	Six Months Ended June 30,	
(in millions)	**2024**	**2023**
Asset impairments	$ 5	$ —
Restructuring and integration costs	17	22
Gain on sale of assets	(5)	—
Litigation and other matters	1	—
Acquisition-related costs	1	3
Acquisition-related contingent consideration	1	1
Other, net	3	—
Other expense, net	$ 23	$ 26

Operating Income

Operating income for the six months ended June 30, 2024 and 2023 was $32 million and $41 million, respectively, a decrease of $9 million, or 22%. This decrease primarily reflects the increases in SG&A and amortization expense, partially offset by the increase in contribution, each as previously discussed.

Segment Profit

The following table presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the six months ended June 30, 2024 and 2023.

	2024		2023		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Profits / Segment Profit Margins						
Vision Care	$ 370	28 %	$ 321	26 %	$ 49	15 %
Pharmaceuticals	131	23 %	114	32 %	17	15 %
Surgical	15	4 %	20	5 %	(5)	(25)%

Vision Care Segment Profit

The Vision Care segment profit was $370 million and $321 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $49 million, or 15%. The increase was primarily driven by increased contribution, driven by: (i) the increases in volume and pricing, as previously discussed and (ii) higher manufacturing efficiency ramp-up costs of our Daily SiHy lenses during the six months ended June 30, 2023. The increase in contribution was partially offset by higher

advertising and promotional expenses in our consumer eye care business driven by Lumify ®, Blink® OTC product line, acquired in July 2023 and Blink™ NutriTears®, which began launching in June 2024.

Pharmaceuticals Segment Profit

The Pharmaceuticals segment profit was $131 million and $114 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $17 million, or 15%. The increase was primarily driven by increased contribution, primarily driven by XIIDRA® and MIEBO®, partially offset by selling and advertising and promotional expenses related to XIIDRA ® and MIEBO®.

Surgical Segment Profit

The Surgical segment profit was $15 million and $20 million for the six months ended June 30, 2024 and 2023, respectively, a decrease of $5 million, or 25%, primarily due to the increase in revenues being offset by: (i) higher cost of sales and (ii) higher selling expenses.

Non-Operating Income and Expense

Interest Expense

Interest expense was $201 million and $108 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $93 million. The increase was primarily attributable to: (i) interest expense associated with our October 2028 Secured Notes and September 2028 Term Facility (each as defined and discussed in further detail, under Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt"), (ii) interest expense related to the outstanding balance under our Revolving Credit Facility (as defined and discussed in further detail, under Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt") and (iii) increased interest expense associated with the May 2027 Term Facility (as defined and discussed in further detail, under Item "— Liquidity and Capital Resources — Liquidity and Debt — Long-term Debt"). See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for further details regarding the May 2027 Term Facility and the Revolving Credit Facility.

Foreign Exchange and Other

Foreign exchange and other was a net loss of $3 million and $15 million for the six months ended June 30, 2024 and 2023, respectively.

Income Taxes

Provision for income taxes was $145 million and $43 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $102 million. The increase in income taxes was primarily related to: (i) a change in the jurisdictional mix of earnings and (ii) discrete tax effects of: (a) establishing a valuation allowance in Canada during the previous year, (b) the filings of certain tax returns and (c) a change in the deduction for stock compensation.

See Note 14, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Net loss attributable to Bausch + Lomb Corporation

Net loss attributable to Bausch + Lomb Corporation for the six months ended June 30, 2024 and 2023 was $318 million and $122 million, respectively, a decrease in our results of $196 million, and was primarily due to: (i) the increase in the provision for income taxes of $102 million, (ii) the increase in interest expense of $93 million and (iii) the decrease in our operating results of $9 million, each as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Six Months Ended June 30,		
(in millions)	**2024**	**2023**	**Change**
Net cash provided by (used in) operating activities	$ 56	$ (80)	$ 136
Net cash used in investing activities	(131)	(92)	(39)
Net cash provided by financing activities	52	181	(129)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(9)	3	(12)
Net (decrease) increase in cash and cash equivalents and restricted cash	(32)	12	(44)
Cash and cash equivalents and restricted cash, beginning of period	334	380	(46)
Cash and cash equivalents and restricted cash, end of period	$ 302	$ 392	$ (90)

Operating Activities

Net cash provided by operating activities was $56 million for the six months ended June 30, 2024, as compared to net cash used by operating activities of $80 million for the six months ended June 30, 2023, an increase of $136 million.

Net cash provided by operating activities for the six months ended June 30, 2024 was positively impacted by our net earnings, excluding non-cash expenses and other adjustments primarily for depreciation and amortization, deferred income taxes and share-based compensation, partially offset by changes in our operating assets and liabilities driven by: (i) interest payments associated with our October 2028 Secured Notes, (ii) the increase in Trade receivables, net driven by the increase and timing of sales and (iii) the increase in inventories.

Net cash used in operating activities for the six months ended June 30, 2023 was negatively impacted by a strategic increase in inventories in anticipation of future product launches and to help mitigate supply-chain challenges and timing of payments.

Investing Activities

Net cash used in investing activities was $131 million and $92 million for the six months ended June 30, 2024 and 2023, respectively, an increase of $39 million and was primarily driven by increases in purchases of property, plant and equipment, partially offset by cash used in the 2023 acquisition of AcuFocus, as previously discussed.

Financing Activities

Net cash provided by financing activities was $52 million and $181 million for the six months ended June 30, 2024 and 2023, respectively, a decrease of $129 million. The decrease is primarily attributable to less borrowings under the Revolving Credit Facility and higher repayments of debt. For the six months ended June 30, 2024, issuances of long-term debt, net of discounts were $125 million, representing borrowings under the Revolving Credit Facility and repayments of debt were $65 million, which included $50 million of repayments under the Revolving Credit Facility. For the six months ended June 30, 2023, issuances of long-term debt, net of discounts were $200 million, representing borrowings under the Revolving Credit Facility and repayments were $13 million.

Liquidity and Debt

Future Sources of Liquidity

Our primary sources of liquidity are expected to be our cash and cash equivalents, cash collected from customers, funds as needed from our Revolving Credit Facility, and issuances of other long-term debt, additional equity and equity-linked securities. We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months, from the date of issuance of the Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q, and be sufficient to support our future cash needs, however, we can provide no assurance that our liquidity and capital resources will meet future funding requirements.

The global financial markets recently have undergone and may continue to experience significant volatility and disruption. The timing and sustainability of an economic recovery is uncertain and additional macroeconomic, business and financial disruptions may arise. As markets change, there can be no assurance that the challenging economic environment or a further economic downturn would not impact our liquidity or our ability to obtain future financing on reasonable terms or at all.

We will regularly evaluate market conditions, our liquidity profile, and various financing alternatives for opportunities to enhance our capital structure. If opportunities are favorable, we may from time to time enter into new financing arrangements, refinance the Credit Facilities (as defined below) or repurchase debt, or issue additional equity and equity-linked securities.

Long-term Debt

On May 10, 2022, in connection with the B+L IPO and in order to properly capitalize our business, Bausch + Lomb entered into a credit agreement (the “Credit Agreement”, and the credit facilities thereunder, the “Credit Facilities”). Prior to the September 2023 Credit Facility Amendment (as defined below), the Credit Agreement provided for a term loan of $2,500 million with a five-year term to maturity (the “May 2027 Term Facility”) and a five-year revolving credit facility of $500 million (the “Revolving Credit Facility”).

On September 29, 2023, Bausch + Lomb entered into an incremental term loan facility secured on a pari passu basis with the Company’s existing May 2027 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the "September 2023 Credit Facility Amendment") to the Company’s existing Credit Agreement (the Credit Agreement, as amended by the September 2023 Credit Facility Amendment, the “Amended Credit Agreement”) and consisted of borrowings of $500 million in new term B loans with a five-year term to maturity (the "September 2028 Term Facility" and, together with the May 2027 Term Facility and the Revolving Credit Facility, the “Senior Secured Credit Facilities”). A portion of the proceeds from the September 2028 Term Facility and October 2028 Secured Notes were used to finance the $1,750 million upfront payment related to the XIIDRA Acquisition and related acquisition and financing costs.

On April 19, 2024, Bausch + Lomb entered into a Suspension of Rights Agreement (the “Suspension of Rights Agreement”) with respect to the Credit Agreement, pursuant to which Canadian dollar-denominated loans will cease to be available from June 28, 2024 until such date as the parties enter into an amendment of the Credit Agreement to replace the Canadian Dollar Offered Rate with an alternative benchmark with respect to Canadian dollar-denominated loans.

The Senior Secured Credit Facilities are 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 May 2027 Term Facility and September 2028 Term Facility are denominated in U.S. dollars, and borrowings under the Revolving Credit Facility may be made available in U.S. dollars, euros, and pounds sterling (and, subject to the Suspension of Rights Agreement, Canadian dollars). As of June 30, 2024, the principal amounts outstanding under the May 2027 Term Facility and September 2028 Term Facility were $2,450 million and $496 million, respectively. As of June 30, 2024, the Company had $350 million of outstanding borrowings, $29 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions of $121 million under its Revolving Credit Facility.

Description of Credit Facilities

Borrowings under the Revolving Credit Facility in: (i) U.S. dollars bear interest at a rate per annum equal to, at our option, either (a) a term Secured Overnight Financing Rate (“SOFR”)-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars, when available pursuant to the terms of the Suspension of Rights Agreement, will bear interest at a rate to be agreed between the parties, (iii) euros bear interest at a rate per annum equal to EURIBOR and (iv) pounds sterling bear interest at a rate per annum equal to Sterling Overnight Index Average ("SONIA") (provided, however, that the term SOFR-based rate, EURIBOR and SONIA shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall be no less than 1.00% per annum at any time), in each case, plus an applicable margin. Term SOFR-based borrowings under the Revolving Credit Facility are subject to a credit spread adjustment of 0.10%.

The applicable interest rate margins for borrowings under the Revolving Credit Facility are (i) between 0.75% to 1.75% with respect to U.S. dollar base rate borrowings and between 1.75% to 2.75% with respect to SOFR, EURIBOR or SONIA borrowings based on the Company’s total net leverage ratio and (ii) 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 Standard & Poor’s (“S&P”), Moody’s and Fitch and (y) the May 2027 Term Facility and September 2028 Term Facility have been repaid in full in cash (the “IG Trigger”), between 0.015% to 0.475% with respect to U.S. dollar base rate borrowings and between 1.015% to 1.475% with respect to SOFR, EURIBOR or SONIA borrowings based on the Company’s debt rating. The stated rate of interest for borrowings under the Revolving Credit Facility at June 30, 2024 ranges from 8.18% to 8.19% per annum. In addition, we are 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, thereafter, 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 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 May 2027 Term Facility bear interest at a rate per annum equal to, at our option, either (i) a term SOFR-based rate, plus an applicable margin of 3.25% or (ii) a U.S. dollar base rate, plus an applicable margin of 2.25% (provided, however, that the term SOFR-based rate shall be no less than 0.50% per annum at any time and the U.S. dollar base rate shall not be lower than 1.50% per annum at any time). Term SOFR-based borrowings under the May 2027 Term Facility are subject to a credit spread adjustment of 0.10%. The stated rate of interest under the May 2027 Term Facility at June 30, 2024 was 8.69% per annum.

Borrowings under the September 2028 Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.00%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.00% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the September 2028 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the September 2028 Term Facility at June 30, 2024 was 9.34% per annum.

Subject to certain exceptions and customary baskets set forth in the Amended Credit Agreement, Bausch + Lomb is required to make mandatory prepayments of the loans under the May 2027 Term Facility and September 2028 Term Facility under certain circumstances, including from: (i) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold), (ii) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as described in the Amended Credit Agreement), (iii) 50% of Excess Cash Flow (as defined in the Amended Credit Agreement) subject to decrease based on leverage ratios and subject to a threshold amount and (iv) 100% of net cash proceeds from asset sales (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold). These mandatory prepayments may be used to satisfy future amortization.

The amortization rate for the May 2027 Term Facility is 1.00% per annum, or $25 million, payable in quarterly installments, and the first installment was paid on September 30, 2022. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2024, the remaining mandatory quarterly amortization payments for the May 2027 Term Facility were $69 million through March 2027, with the remaining term loan balance being due in May 2027.

The amortization rate for the September 2028 Term Facility is 1.00% per annum, or $5 million, payable in quarterly installments. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2024, the remaining mandatory quarterly amortization payments for the September 2028 Term Facility were $20 million through June 2028, with the remaining term loan balance being due in September 2028.

Description of Senior Secured Notes

On September 29, 2023, Bausch + Lomb issued $1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the “October 2028 Secured Notes”). A portion of the proceeds from the October 2028 Secured Notes, along with the proceeds of September 2028 Term Facility, were used to finance the $1,750 million upfront payment related to the acquisition of XIIDRA® and certain other ophthalmology assets from Novartis and related acquisition-related transaction and financing costs. The October 2028 Secured Notes accrue interest at a rate of 8.375% per year, payable semi-annually in arrears on each April 1 and October 1, which commenced on April 1, 2024.

The October 2028 Secured Notes are guaranteed by each of the Company’s subsidiaries that is a guarantor under the Amended Credit Agreement (the “Note Guarantors”). The October 2028 Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the Company’s obligations under the Amended Credit Agreement under the terms of the indenture governing the October 2028 Secured Notes.

The October 2028 Secured Notes and the guarantees related thereto rank equally in right of repayment with all of the Company’s and Note Guarantors’ respective existing and future unsubordinated indebtedness and senior to the Company’s and Note Guarantors’ respective future subordinated indebtedness. The October 2028 Secured Notes and the guarantees related thereto are effectively pari passu with the Company’s and the Note Guarantors’ respective existing and future indebtedness secured by a first priority lien on the collateral securing the October 2028 Secured Notes and effectively senior to the Company’s and the Note Guarantors’ respective existing and future indebtedness that is unsecured, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the October 2028 Secured Notes are structurally subordinated to: (i) all liabilities of any of the Company’s subsidiaries that do not guarantee the October 2028 Secured Notes and (ii) any of the Company’s debt that is secured by assets that are not collateral for the October 2028 Notes.

Upon the occurrence of a change in control (as defined in the indenture governing the October 2028 Secured Notes), unless the Company has exercised its right to redeem all of the notes of a series, holders of the October 2028 Secured Notes

may require the Company to repurchase such holders' notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, but not including, the date of redemption.

The October 2028 Secured Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2025, at the redemption prices set forth in the indenture. Prior to October 1, 2025, the Company may redeem the October 2028 Secured Notes in whole or in part at a redemption price equal to the principal amount of the Notes redeemed plus a make-whole premium. Prior to October 1, 2025, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the October 2028 Secured Notes at a redemption price of 108.375% of the principal amount thereof, redeemed plus accrued and unpaid interest to, but not including, the date of redemption with the proceeds of one of more equity offerings.

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of June 30, 2024 and December 31, 2023 was 8.63% and 8.65%, respectively.

Credit Ratings

As of the date of this filing, August 1, 2024, the credit ratings and outlook from Moody's, S&P and Fitch for certain outstanding obligations of Bausch + Lomb were as follows:

Rating Agency	Corporate Rating	Senior Secured Rating	Outlook
Moody's		B1	Stable
Standard & Poor's	B-	B-	Positive
Fitch	B-	BB-	Rating Watch Evolving

Any downgrade in our corporate credit ratings or senior secured ratings may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

Upon full Separation, we expect to refinance the Bausch + Lomb debt, and to transition to a longer-term capital structure.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

We have no off-balance sheet arrangements that have a material current effect or that are reasonably likely to have a material future effect on our results of operations, financial condition, capital expenditures, liquidity, or capital resources.

Other Future Cash Requirements

Our other future cash requirements relate to working capital, capital expenditures, business development transactions (contingent consideration), restructuring and integration, benefit obligations and litigation settlements. In addition, we may use cash to enter into licensing arrangements and/or to make strategic acquisitions. We regularly consider further acquisition opportunities within our core therapeutic areas, some of which could be sizable.

In addition to our working capital requirements, as of the date of this filing, August 1, 2024, we expect our primary cash requirements for the period July 1, 2024 through December 31, 2024 to include:

- *Debt repayments and interest*—We expect to make interest payments of approximately $200 million and mandatory debt amortization payments of $15 million for the period July 1, 2024 through December 31, 2024 under our Senior Secured Credit Facilities and may elect to make additional principal payments under certain circumstances. Further, in the ordinary course of business, we may borrow and repay amounts under our Revolving Credit Facility to meet business needs, see Item 1A. Risk Factors—"Our indebtedness could adversely affect our business and our ability to meet our obligations" included in our Annual Report;
- *Capital expenditures*—We expect to make payments of approximately $110 million for property, plant and equipment for the period July 1, 2024 through December 31, 2024.

Acquisition of AcuFocus, Inc.

As previously discussed, on January 17, 2023, the Company acquired AcuFocus, Inc. ("AcuFocus") for an up-front purchase price of $35 million, $31 million of which was paid in January 2023, with the remaining purchase price paid during the 18 months following date of the transaction. If certain future sales-based milestones relating to the AcuFocus business are achieved between the closing date of the acquisition and December 31, 2027, additional payments by the Company will become due in future years.

Cost Savings Programs

The Company has been launching certain initiatives that may result in certain changes to, and investment in, its organizational structure and operations. The Company refers to the charges related to these initiatives as “Business Transformation Costs”. These costs are recorded in SG&A in the unaudited Condensed Consolidated Statements of Operations and include third-party advisory costs, as well as certain compensation-related costs associated with changes in the Company’s executive officers, such as severance-related costs associated with the departure of the Company’s former executives and the costs associated with the appointment of the Company’s new executives.

Further, we continue to evaluate opportunities to improve our operating performance and may initiate cost savings programs to streamline our operations and eliminate redundant processes and expenses. These cost savings programs may include, but are not limited to: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives. Although a specific plan does not exist at this time, we may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

Future Litigation

In the ordinary course of business, we are involved in litigation, claims, government inquiries, investigations, charges and proceedings. See Note 16, “LEGAL PROCEEDINGS” to our unaudited interim Condensed Consolidated Financial Statements for further details of these matters. Our ability to successfully defend the Company against pending and future litigation may impact cash flows.

Future Licensing Payments

In the ordinary course of business, we may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products. In connection with these agreements, the Company may pay an up-front fee to secure the agreement. See Note 21, “COMMITMENTS AND CONTINGENCIES” to our audited Consolidated Financial Statements for the year ended December 31, 2023, included in our Annual Report.

OUTSTANDING SHARE DATA

Our common shares are listed on the TSX and the NYSE under the ticker symbol “BLCO”.

At July 24, 2024, we had 351,895,407 issued and outstanding common shares. In addition, as of July 24, 2024, we had outstanding approximately 9,100,000 stock options and 7,000,000 restricted share units that each represent the right of a holder to receive one of Bausch + Lomb’s common shares and 4,000,000 performance-based restricted share units that represent the right of a holder to receive a number of the Company’s common shares up to a specified maximum. A maximum of 10,500,000 common shares could be issued upon vesting of the performance-based restricted share units outstanding.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates are those policies and estimates that are most important and material to the preparation of our Condensed Consolidated Financial Statements, and which require management’s most subjective and complex judgment due to the need to select policies from among alternatives available, and to make estimates about matters that are inherently uncertain. Management has reassessed the critical accounting policies and estimates as disclosed in Note 2 to the audited Consolidated Financial Statements included in our Annual Report, and determined that there were no significant changes in our critical accounting policies and estimates during the six months ended June 30, 2024.

NEW ACCOUNTING STANDARDS

None.

FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking information and statements and “Safe-Harbor” statements under the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws:

To the extent any statements made in this Form 10-Q contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, “forward-looking statements”).

These forward-looking statements relate to, among other things: our business strategy, business plans, business prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, expected launches of new products, product development and results of current and anticipated products; anticipated revenues for our products, including XIIDRA®; expected R&D and marketing spend; our expected primary cash and working capital requirements for the remainder of 2024 and beyond; our plans for continued improvement in operational efficiency and the anticipated impact of such plans; expected risks of loss of patent or regulatory exclusivity; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to comply with the covenants contained in our credit agreement, as amended, (the "Amended Credit Agreement") and in the indenture governing our October 2028 Secured Notes; any proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings; the anticipated impact of the adoption of new accounting standards; general market conditions and economic uncertainty; our expectations regarding our financial performance, including our future financial and operating performance, revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the anticipated effect of current market conditions and recessionary pressures in one or more of our markets; the anticipated effect of macroeconomic factors, including inflation; the anticipated impact from the ongoing conflicts between Russia and Ukraine and in the Middle East involving Israel and Hamas; and the anticipated separation from Bausch Health Companies Inc. ("BHC"), including the structure and expected timetable for completing such separation transaction.

Forward-looking statements can generally be identified by the use of words such as "believe," "anticipate," "expect," "intend," "estimate," "plan," "schedule," "continue," "future," "will," "may," "can," "might," "could," "would," "should," "target," "potential," "opportunity," "designed," "create," "predict," "project," "timeline," "forecast," "outlook," "guidance," "seek," "strive," "suggest," "prospective," "strategy," "indicative," "intend," "ongoing," "decrease" or "increase" and positive and negative variations thereof or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have previously indicated certain of these statements set out herein, all of the statements in this Form 10-Q that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including, but not limited to, factors and assumptions regarding the items previously outlined, those factors, risks and uncertainties outlined below and the assumption that none of these factors, risks and uncertainties will cause actual results or events to differ materially from those described in such forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Important factors, risks and uncertainties that could cause actual results to differ materially from these expectations include, among other things, the following:

- *adverse economic conditions and other macroeconomic factors, including inflation, slower growth or a potential recession, which could adversely impact our revenues, expenses and resulting margins;*
- *the effect of current market conditions and recessionary pressures in one or more of our markets;*
- *the challenges the Company faces following its initial public offering (the "B+L IPO"), including the challenges and difficulties associated with managing an independent, complex business, the transitional services being provided by and to BHC, and any potential, actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in BHC and/or because they also serve as directors of BHC;*
- *our status as a controlled company, and the possibility that BHC's interest may conflict with our interests and the interests of our other securityholders and other stakeholders;*
- *the risks and uncertainties associated with the proposed plan to separate or spinoff Bausch + Lomb from BHC, which include, but are not limited to, the expected benefits and costs of the spinoff transaction, the expected timing of completion of the spinoff transaction and its terms (including the expectation that the spinoff transaction will be completed following the achievement of targeted debt leverage ratios, subject to receipt of applicable shareholder and other necessary approvals and other factors, including those factors described in BHC's public filings), the ability to complete the spinoff transaction considering the various conditions to the completion of the spinoff transaction (some of which are outside the Company's and BHC's control, including conditions related to regulatory matters and receipt of applicable shareholder approvals), the impact of any potential sales of our common shares by BHC, that market or other conditions are no longer favorable to completing the transaction, that applicable shareholder, stock exchange, regulatory or other approval is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of, or following, the spinoff transaction, diversion of management time on spinoff transaction-related issues, retention of existing management team members, the reaction of customers and other parties to the spinoff transaction, the structure of the spinoff transaction and related*

distribution, the qualification of the spinoff transaction as a tax-free transaction for Canadian and/or U.S. federal income tax purposes (including whether or not an advance ruling from the Canada Revenue Agency and/or the Internal Revenue Service will be sought or obtained), the ability of the Company and BHC to satisfy the conditions required to maintain the tax-free status of the spinoff transaction (some of which are beyond their control), other potential tax or other liabilities that may arise as a result of the spinoff transaction, the potential dis-synergy costs resulting from the spinoff transaction, the impact of the spinoff transaction on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets the Company is engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting the Company's business. In particular, the Company can offer no assurance that any spinoff transaction will occur at all, or that any such transaction will occur on the timelines or in the manner anticipated by the Company and BHC;

- *ongoing litigation and potential additional litigation, claims, challenges and/or regulatory investigations challenging or otherwise relating to the B+L IPO and the proposed separation from BHC and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;*
- *pricing decisions that we have implemented or may in the future elect to implement at the direction of our pricing committees or otherwise;*
- *legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines and other products, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);*
- *ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the "FDA") and equivalent agencies outside of the United States and the results thereof;*
- *actions by the FDA or other regulatory authorities with respect to our products or facilities;*
- *compliance with the legal and regulatory requirements of our marketed products;*
- *our ability to comply with the financial and other covenants contained in our Amended Credit Agreement, the indenture governing our October 2028 Secured Notes and other current or future debt agreements, including the limitations, restrictions and prohibitions such covenants may impose on the way we conduct our business, including prohibitions on incurring additional debt if certain financial covenants are not met, our ability to draw under the revolving credit facility under our Amended Credit Agreement (the "Revolving Credit Facility") and restrictions on our ability to make certain investments and other restricted payments;*
- *any downgrade or additional downgrade by rating agencies in our or BHC's credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;*
- *changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;*
- *the risks and uncertainties relating to the acquisition of XIIDRA ® and certain other ophthalmology assets (the "XIIDRA Acquisition"), including risks that we may not realize the expected benefits of the acquisition on a timely basis or at all and risks relating to our increased levels of debt as a result of debt incurred to finance such acquisition;*
- *the uncertainties associated with the acquisition and launch of new products, assets and businesses (including the recently-acquired XIIDRA® product and Blink® product line and our recently launched MIEBO ® product), including, but not limited to, our ability to provide the time, resources, expertise and funds required for the commercial launch of new products, the acceptance and demand for new products, the failure to obtain required regulatory approvals, clearances or authorizations, and the impact of competitive products and pricing, which could lead to material impairment charges;*
- *our ability or inability to extend the profitable life of our products, including through line extensions and other life-cycle programs;*
- *our ability to manage the transition to our new Chairman and Chief Executive Officer and other new executive officers and key employees, the success of such individuals in assuming their respective roles and the ability of such individuals to implement and achieve the strategies and goals of the Company as they develop;*

- *our ability to retain, motivate and recruit executives and other key employees;*
- *our ability to implement effective succession planning for our executives and other key employees;*
- *factors impacting our ability to achieve anticipated revenues for our products, including changes in anticipated marketing spend on such products and launch of competing products;*
- *factors impacting our ability to achieve anticipated market acceptance for our products, including the pricing of such products, effectiveness of promotional efforts, reputation of our products and launch of competing products;*
- *our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;*
- *the extent to which our products are reimbursed by government authorities, pharmacy benefit managers ("PBMs") and other third-party payors; the impact our distribution, pricing and other practices may have on the decisions of such government authorities, PBMs and other third-party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;*
- *the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;*
- *the consolidation of wholesalers, retail drug chains and other customer groups and the impact of such industry consolidation on our business;*
- *our ability to maintain strong relationships with physicians and other health care professionals;*
- *our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;*
- *the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting, including the global minimum corporate tax rate, by the countries in which we operate;*
- *the actions of our third-party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on us;*
- *the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions, laws and regulations);*
- *adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;*
- *trade conflicts, including current and future trade disputes between the United States and China;*
- *risks associated with the ongoing conflict between Russia and Ukraine and the export controls, sanctions and other restrictive actions that have been or may be imposed by the United States, Canada, the EU and other countries against governmental and other entities and individuals in or associated with Russia, Belarus and parts of Ukraine, including its potential escalation and the potential impact on sales, earnings, market conditions and the ability of the Company to manage resources and historical investment in Russia;*
- *risks associated with the ongoing conflict in the Middle East involving Israel and Hamas, including its potential escalation and the potential impact on our operations, sale of products and revenues in this region;*
- *our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;*
- *the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;*
- *the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, examinations, reviews and regulatory proceedings against us or relating to us and settlements thereof;*

- *our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;*
- *the disruption of delivery of our products and the routine flow of manufactured goods;*
- *potential work stoppages, slowdowns or other labor problems at our facilities and the resulting impact on our manufacturing, distribution and other operations;*
- *economic factors over which we have no control, including inflationary pressures as a result of historically high domestic and global inflation and otherwise, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;*
- *interest rate risks associated with our floating rate debt borrowings;*
- *our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements;*
- *our ability to effectively promote our own products and those of our co-promotion partners;*
- *our ability to secure and maintain third-party research, development, manufacturing, licensing, marketing or distribution arrangements;*
- *the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;*
- *the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;*
- *the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third-party insurance or self-insurance;*
- *our indemnity agreements, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material;*
- *the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada, the European Medicines Agency ("EMA") and similar agencies in other jurisdictions, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;*
- *the results of continuing safety and efficacy studies by industry and government agencies;*
- *the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;*
- *uncertainties around the successful improvement and modification of our existing products and development of new products, which may require significant expenditures and efforts;*
- *the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;*
- *the seasonality of sales of certain of our products;*
- *declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;*
- *compliance by us or our third-party partners and service providers (over whom we may have limited influence), or the failure by us or these third parties to comply, with health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;*

- *the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") and any potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;*
- *the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to us and our businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to us or our businesses or products;*
- *the impact of changes in federal laws and policy that may be undertaken under the Biden administration;*
- *illegal distribution or sale of counterfeit versions of our products;*
- *interruptions, breakdowns or breaches in our information technology systems; and*
- *risks in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators (the "CSA") on February 21, 2024 and risks detailed from time to time in our other filings with the SEC and the CSA, as well as our ability to anticipate and manage the risks associated with the foregoing.*

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 21, 2024, under Item 1A. "Risk Factors" and in the Company's other filings with the SEC and the CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's assessment of its sensitivity to market risks that affect the disclosures presented in the section entitled “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2024.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act or under other applicable U.S. or Canadian securities laws or stock exchange rules is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal controls over financial reporting that occurred during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. 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.

For additional information, see Note 16, “LEGAL PROCEEDINGS” of notes to the unaudited interim Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

There have been no material changes to the risk factors as disclosed in Item 1A. “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 21, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities, nor any purchases of our equity securities, by the Company during the three months ended June 30, 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Employee Matters Agreement Amendment

On July 31, 2024, Bausch + Lomb Corporation (“Bausch + Lomb”) and Bausch Health Companies Inc. (“BHC”) entered into the Amended and Restated Employee Matters Agreement (the “Amended EMA”), subject to certain applicable approvals. Under the Amended EMA:

- each award of BHC time-based restricted share units (including any matching restricted share unit) (“BHC RSUs”) and of BHC performance-based restricted share units (“BHC PSUs”) that was granted prior to July 19, 2024 (or, with respect to new hire grants, prior to December 31, 2024) (the “Reference Date”) and that is held by a then-current BHC employee, Bausch + Lomb employee or director serving on the BHC Board of Directors (but not directors solely serving on the Bausch + Lomb Board of Directors (the “Board”)) (“BHC Director”) (including any employees located in Canada) as of immediately prior to the date of the consummation of BHC’s spin-off distribution of Bausch + Lomb common shares (the “Distribution Date”), in each case, will be equitably adjusted on the Distribution Date to reflect the spin-off distribution and preserve the value of such awards in accordance with the existing methodology set forth in Section 8.02(a) of the Amended EMA as follows: (i) the holder will continue to hold the same number of BHC RSUs and BHC PSUs, as applicable and (ii) the holder will receive a target number of Bausch + Lomb restricted stock units (“B+L RSUs”) and Bausch + Lomb performance-based restricted share units (“B+L PSUs”), determined by multiplying (A) the target number of BHC RSUs or BHC PSUs by (B) the “basket ratio” (as defined in the Arrangement Agreement by and between BHC and Bausch + Lomb, dated as of April 28, 2022, as may be amended from time to time), rounded down to the nearest whole share;
- each BHC RSU and BHC PSU granted on or following the applicable Reference Date held by any then-current BHC employee or BHC Director as of immediately prior to the Distribution Date will be equitably adjusted to reflect the spin-off distribution and preserve the value of such awards by converting such awards into an adjusted BHC RSU or BHC PSU, as applicable, in each case, with the number of adjusted BHC RSUs and BHC PSUs to be determined in accordance with the existing methodology set forth in Section 8.02(b) of the Amended EMA;
- each BHC RSU and BHC PSU (i) granted on or following the applicable Reference Date held by any then-current employee of Bausch + Lomb as of immediately prior to the Distribution Date or (ii) held by any director who serves on the Board (but not on BHC’s Board of Directors) as of immediately following the Distribution Date, in each case, will be equitably adjusted to reflect the spin-off distribution and preserve the value of such awards by converting

such awards into a B+L RSU or B+L PSU, as applicable, in each case, with such number to be determined in accordance with the existing methodology set forth in Section 8.02(c) of the Amended EMA;

- each outstanding option to purchase shares of BHC common stock ("BHC Options") held by any then-current Bausch + Lomb employee as of immediately prior to the Distribution Date will be equitably adjusted to reflect the spin-off distribution by converting such award into an option to purchase shares of Bausch + Lomb's common stock, with the number of shares of Bausch + Lomb's common stock underlying the options and the applicable exercise price to be determined by Bausch + Lomb's Talent and Compensation Committee (the "Committee") of the Board in a manner intended to preserve the aggregate intrinsic value of the corresponding BHC Options (*provided* that the treatment of the BHC Options held by all other individuals will remain consistent with the current EMA); and
- conforming updates to reflect the fact that BHC suspended the initial public offering of the Solta Medical segment effective as of June 16, 2022.

The application of the methodologies referenced above and detailed in the Amended EMA for equitably adjusting the above-described equity awards to reflect the spin-off distribution are dependent on a number of factors, including but not limited to, the BHC share price, the Bausch + Lomb share price, the number of outstanding common shares of BHC and Bausch + Lomb at or around the time of the Distribution Date, future award vesting and/or forfeiture events and the time the Distribution Date occurs. As a result, the number of awards and underlying shares that may ultimately be subject to adjustment and conversion (and resulting therefrom) as of the Distribution Date pursuant to the Amended EMA are not reliably estimable as of the date hereof and may differ materially from current expectations.

Amendment to Founder Equity Awards

On July 31, 2024, the Committee approved an amendment to the equity incentive awards originally granted to certain of our employees (including our named executive officers ("NEOs")) in connection with our initial public offering in May 2022 (the "IPO Founder Grants") under the Bausch + Lomb 2022 Omnibus Incentive Plan (as amended and restated and as further amended and restated, the "Plan"). Pursuant to this amendment, with respect to IPO Founder Grants held by current employees of Bausch + Lomb or one of its subsidiaries, in the event that the Distribution Date does not occur on or before May 5, 2026, the existing vesting condition requiring the Distribution Date to occur before such IPO Founder Grants can vest and become exercisable, as applicable, and will cease to apply to such IPO Founder Grants (and, as a result, the awards will thereafter only be subject to time-based vesting conditions). To the extent that any of the IPO Founder Grants satisfied the time-based vesting conditions prior to May 5, 2026, then the awards will be deemed vested and exercisable, as applicable, as of such date. Except as noted above, the IPO Founder Grants will otherwise remain subject to the existing terms and conditions of the Plan and the applicable award agreements, as previously disclosed by Bausch + Lomb.

Amendment to PSU Performance Goals

On July 31, 2024, the Committee approved amendments to the performance goals applicable to the following B+L PSU awards granted to certain of our eligible current employees of (including our NEOs) pursuant to the Plan: (i) the 2023 annual relative total shareholder return ("rTSR") PSUs (the "2023 rTSR Annual PSUs"), (ii) the 2024 annual rTSR PSUs (the "2024 rTSR Annual PSUs") and (iii) the "outperformance" PSUs granted in 2024 (the "Outperformance PSUs," and, together with the 2023 rTSR Annual PSUs and 2024 rTSR Annual PSUs, the "Covered PSUs").

Pursuant to these amendments, with respect to the Covered PSUs held by current employees of Bausch + Lomb and its subsidiaries, (i) if the Distribution Date does not occur prior to the date that is 120 calendar days before the first day of the applicable "TSR Measurement Start Date" (as defined below) applicable to such Covered PSUs (such applicable date, the "Performance Assessment Cut-off Date"), then (A) in the case of the 2023 rTSR Annual PSUs and the 2024 rTSR Annual PSUs, the applicable rTSR performance metric applicable to such Covered PSUs shall be deemed achieved at the target performance level (100%) and (B) in the case of the Outperformance PSUs, the applicable relative total shareholder return modifier performance metric will no longer apply and (ii) if the Distribution Date occurs prior to the Performance Assessment Cut-off Date, then the relative total shareholder return performance metric applicable to such Covered PSUs shall be measured based on actual achievement of the relative total shareholder return performance metric as of the end of the original last day of the performance period for the applicable Covered PSUs in accordance with the existing terms of the applicable Covered PSU award agreement. For purposes of the above, the "TSR Measurement Start Date" means the 20 consecutive trading day period preceding the last day of the rTSR performance period applicable to the award of Covered PSUs.

The achievement of the total shareholder return performance goals for any B+L PSUs granted under the Plan will be calculated in a manner that does not take into account the issuance of any common shares of B+L pursuant to the equitable adjustments applicable to BHC equity awards as set forth in Section 8.02(a) of the Amended EMA.

Except as noted above, the Covered PSUs will otherwise remain subject to the existing terms and conditions of the Plan and the applicable award agreements, as previously disclosed by Bausch + Lomb.

Item 6. Exhibits

3.1	Amended Articles of Bausch + Lomb Corporation, originally filed as Exhibit 3.1 to Bausch + Lomb Corporation's Form 8-K filed with the SEC on May 10, 2022, which is incorporated by reference herein.
3.2	Amended By-laws of Bausch + Lomb Corporation, originally filed as Exhibit 3.2 to Bausch + Lomb Corporation's Form 8-K filed with the SEC on May 10, 2022, which is incorporated by reference herein.
10.1*	Bausch + Lomb Corporation 2022 Omnibus Incentive Plan, as amended and restated effective as of May 29, 2024.
10.2*	Amended and Restated Employee Matters Agreement, dated as of July 31, 2024, by and between Bausch Health Companies Inc. and Bausch + Lomb Corporation.†
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certificate of the Chief Executive Officer of Bausch + Lomb Corporation pursuant to 18 U.S.C. § 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* Filed herewith.

† Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule upon request by the Securities and Exchange Commission.

SIGNATURES

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

Bausch + Lomb Corporation
(Registrant)

Date: August 1, 2024

/s/ BRENTON L. SAUNDERS

Brenton L. Saunders
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer and Chairman of the Board)

Date: August 1, 2024

/s/ SAM ELDESSOUKY

Sam Eldessouky
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

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Exhibit 10.1

BAUSCH + LOMB CORPORATION 2022 OMNIBUS INCENTIVE PLAN

(As Amended and Restated, Effective as of May 29, 2024)

1. Purpose and Background

The purposes of the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan (as amended from time to time, the "Plan") are to (i) align the long-term financial interests of employees, directors, consultants, agents and other service providers of the Company and its Subsidiaries and Affiliates with those of the Company's shareholders; (ii) attract and retain those individuals by providing compensation opportunities that are competitive with other companies; and (iii) provide incentives to those individuals who contribute significantly to the long-term performance and growth of the Company and its Subsidiaries and Affiliates.

The Plan was initially adopted effective as of May 5, 2022. The Plan initially reserved 28,000,000 Common Shares for issuance pursuant to Awards (as defined below). On March 6, 2023, the Talent and Compensation Committee of the Board (as defined below) approved an amendment and restatement of the Plan to increase the number of Common Shares authorized for issuance pursuant to Awards under the Plan by an additional 10,000,000 Common Shares. On April 16, 2024, the Plan was further amended and restated by the Talent and Compensation Committee to increase the number of Common Shares authorized for issuance pursuant to Awards under the Plan by an additional 14,000,000 Common Shares. The Plan, as amended and restated, has been adopted and approved by the Board and shall be effective as of May 29, 2024 (the "Effective Date"), subject to the approval of shareholders.

2. Effective Date and Term

Subject to the right of the Board to amend or terminate the Plan at any time pursuant to Section 19 hereof, the Plan shall remain in effect until the earlier of (i) the date all Common Shares subject to the Plan have been purchased or acquired according to the Plan's provisions or (ii) the tenth anniversary of the Effective Date (the "Plan Term"). No Awards shall be granted under the Plan after such termination date, but Awards granted prior to such termination date shall remain outstanding in accordance with their terms, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award shall extend beyond such date.

3. Definitions

"Affiliate" shall mean any entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

"Award" shall mean an Option, SAR, Share Unit, Share Award, Cash Award or Converted Award granted under the Plan.

"Award Agreement" shall mean any written agreement, contract, or other instrument or document evidencing an Award, which may, but need not, be executed or acknowledged by a Participant, as determined in the discretion of the Committee.

"BHC" means Bausch Health Companies, Inc., a corporation incorporated under the British Columbia Business Corporations Act (including any successor thereto).

"BHC Participant" means a Parent Participant (as defined in the Employee Matters Agreement) who receives a Converted Award in accordance with Section 8.02(a) of the Employee Matters Agreement.

"Blackout Period" means a period self-imposed by the Company (within the meaning of Section 613(m) of the TSX Company Manual) when the Participant is prohibited from trading in the Company's securities.

“Board” shall mean the Board of Directors of the Company.

“Business Day” means any day, other than a Saturday, Sunday or statutory or civic holiday, on which banks in Toronto, Ontario are open for business.

“Cash Award” means cash awarded under Section 7(e) of the Plan, including cash awarded as a bonus or upon the attainment of Performance Criteria or otherwise as permitted under the Plan.

“Cause” shall have the meaning set forth in the Participant’s Service Agreement; provided that if no such agreement or definition exists, “Cause” shall mean, unless otherwise specified in the Award Agreement: (i) conviction of any felony (other than one related to a vehicular offense) or other criminal act involving fraud; (ii) willful misconduct that results in a material economic detriment to the Company; (iii) material violation of Company policies and directives, which is not cured after written notice and an opportunity for cure; (iv) continued refusal by the Participant to perform the Participant’s duties after written notice identifying the deficiencies and an opportunity for cure; and (v) a material violation by the Participant of any of the covenants to the Company. No action or inaction shall be deemed willful if (x) not demonstrably willful and (y) taken, or not taken, by the Participant in good faith and with the understanding that such action or inaction was not adverse to the best interests of the Company. Reference in this definition to the Company shall also include direct and indirect Subsidiaries of the Company, and materiality shall be measured based on the action or inaction and the impact upon the Company taken as a whole. Notwithstanding the foregoing, with respect to any Converted Award held by any BHC Participant, “Cause” shall be defined in the manner set forth in Section 8.06(a) of the Employee Matters Agreement.

“Change of Control” shall have the meaning set forth in Section 11.

“Code” shall mean the U.S. Internal Revenue Code of 1986, as amended, including any rules and regulations promulgated thereunder and any successor thereto.

“Committee” shall mean the Board or a committee designated by the Board to administer the Plan.

“Common Shares” shall mean the common shares of the Company, no par value per share.

“Company” shall mean Bausch + Lomb Corporation, a corporation incorporated under the laws of Canada.

“Consultant” means any individual, including an advisor, consultant or agent, who is providing services to the Company or any Subsidiary or Affiliates under a written agreement, other than services provided in relation to a distribution, including, without limitation, any non-employee director serving on the Board of Directors of any Subsidiary or Affiliates.

“Converted Awards” means awards originally granted under the Parent Equity Plan that are converted into Awards with respect to Common Shares pursuant to Article VIII of the Employee Matters Agreement.

“Deferred Shares” shall mean an Award payable in Common Shares at the end of a specified deferral period that is subject to the terms, conditions and limitations described or referred to in Section 7(d)(iv).

“Director” means any member of the Board.

“Disability” shall mean, unless otherwise provided in an applicable Service Agreement or Award Agreement, that the Participant is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company; provided, that, if applicable to the Award, “Disability” shall be determined in a manner

consistent with Section 409A of the Code. Notwithstanding the foregoing, with respect to any Converted Award held by any BHC Participant, “Disability” shall be defined in the manner set forth in Section 8.06(a) of the Employee Matters Agreement.

“Eligible Recipient” shall mean (i) any Employee, (ii) any Director, (iii) any Consultant or (iv) solely with respect to Converted Awards, BHC Participants.

“Employee” means any individual, including any officer, employed by the Company or any Subsidiary or Affiliate.

“Employee Matters Agreement” means the Employee Matters Agreement, by and between BHC and the Company, dated as of March 30, 2022, as such agreement may be amended from time to time.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder and any successor thereto.

“Good Reason” shall have the meaning set forth in the Participant’s applicable Service Agreement; provided that if no such agreement or definition exists, “Good Reason” shall mean, unless otherwise specified in the Award Agreement, the occurrence of any of the events or conditions described in clauses (i) and (ii) immediately below without the Participant’s consent, which are not cured by the Company (if susceptible to cure by the Company) within thirty (30) days after the Company has received written notice from the Participant which notice must be provided by the Participant within ninety (90) days of the initial existence of the event or condition constituting Good Reason specifying the particular events or conditions which constitute Good Reason and the specific cure requested by the Participant: (i) any material reduction in the Participant’s duties or responsibilities as in effect immediately prior thereto; provided that diminution of responsibility shall not include any such diminution resulting from a promotion, death or Disability, the Participant’s Termination of Service for Cause, or the Participant’s Termination of Service other than for Good Reason; and (ii) any reduction in the Participant’s base salary or target bonus opportunity which is not comparable to reductions in the base salary or target bonus opportunity of other similarly-situated employees at the Company. Notwithstanding the foregoing, with respect to any Converted Award held by any BHC Participant, “Good Reason” shall be defined in the manner set forth in Section 8.06(a) of the Employee Matters Agreement.

“Insider” shall mean a reporting insider, as defined in National Instrument 55-104 – Insider Reporting Requirements and Exemptions of the Canadian Securities Administrators;

“Intrinsic Value” with respect to an Option or SAR Award means (i) the excess, if any, of the price or implied price per Common Share in a Change of Control or other event over (ii) the exercise or price of such Award multiplied by (iii) the number of Shares covered by such Award.

“ISO” shall mean an Option intended to be, and designated as, an incentive stock option within the meaning of Section 422 of the Code.

“Market Price” shall mean, with respect to Common Shares, (i) the closing price per Common Share on the national securities exchange on which the Common Shares are principally traded (as of the Effective Date, the New York Stock Exchange), or (ii) if the Common Shares are not then listed on a national securities exchange but are then traded in an over-the-counter market, the average of the closing bid and asked prices for the Common Shares in such over-the-counter market, or (iii) if the Common Shares are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Committee, using any reasonable method of valuation, shall determine. With respect to property other than Common Shares, the Market Price shall mean the fair market value of such other property determined by such methods or procedures as shall be established from time to time by the Committee, subject to any required approval by the TSX (to the extent applicable at such time).

“Nonqualified Stock Option” shall mean an Option that is granted to a Participant that is not designated as an ISO.

“Option” shall mean the right to purchase a specified number of Common Shares at a stated exercise price for a specified period of time subject to the terms, conditions and limitations described or referred to in Section 7(a). The term “Option” as used in the Plan includes the terms “Nonqualified Stock Option” and “ISO.”

“Original Term” shall have the meaning set forth in Section 7(a).

“Parent Equity Plan” means the Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (as amended and restated effective as of June 21, 2022, and any predecessor plan with respect thereto).

“Participant” shall mean an Eligible Recipient who has been granted an Award under the Plan.

“Performance Criteria” shall mean performance criteria based on the attainment by the Company or any Subsidiary (or any division or business unit of such entity) of performance measures pre-established by the Committee in its sole discretion, including, without limitation, one or more of the following:

(i) revenues, income before taxes and extraordinary items, net income, operating income, earnings before income tax, earnings before interest, taxes, depreciation and amortization, cash flow or a combination of any or all of the foregoing;

(ii) after-tax or pre-tax profits including, without limitation, that attributable to continuing and/or other operations;

(iii) the level of the Company’s bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company either in absolute terms or as it relates to a profitability ratio including operating income or EBITA;

(iv) return on capital employed, return on assets, or return on invested capital;

(v) after-tax or pre-tax return on stockholders’ equity;

(vi) economic value added targets based on a cash flow return on investment formula;

(vii) the Market Price of the Common Shares;

(viii) the market capitalization or enterprise value of the Company, either in amount or relative to industry peers;

(ix) the value of an investment in the Common Shares assuming the reinvestment of dividends; and

(x) the achievement of operating margin targets or other measures of improving profitability.

The Performance Criteria may be based upon the attainment of specified levels of performance under one or more of the measures described above relative to the performance of other entities or businesses. The Committee may designate additional business criteria on which the Performance Criteria may be based or adjust, modify or amend the aforementioned business criteria, including to take into account actions approved by the Board or a committee thereof that affect the achievement of the original performance criteria. Performance Criteria may include a threshold level of performance below which no Award will be earned, a level of performance at which the target amount of an Award will be earned and a level of performance at which the maximum amount of the Award will be earned. The Committee, in its sole discretion, shall make equitable adjustments to the Performance Criteria in recognition of unusual or non-recurring events affecting the Company or any Subsidiary or the financial statements of the Company or any Subsidiary, in response to changes in applicable laws or regulations, including changes in generally

accepted accounting principles, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles, as applicable.

"Performance Multiplier" means the multiplier applicable to an Award of Share Units based on the level of achievement of the applicable Performance Criteria, which such multiplier may range from 0% to such applicable percentage as determined by the Committee in its discretion.

"Performance Period" means the period established by the Committee in its discretion during which the Performance Criteria specified by the Committee with respect to any Award of Share Units, as applicable, are to be measured.

"Person" shall have the meaning set forth in Section 14(d)(2) of the Exchange Act.

"Restricted Shares" shall mean an Award of Common Shares that is subject to the terms, conditions, restrictions and limitations described or referred to in Section 7(d)(iii).

"SAR" shall mean a share appreciation right that is subject to the terms, conditions, restrictions and limitations described or referred to in Section 7(b).

"Section 16(a) Insider" shall mean an Eligible Recipient who is subject to the reporting requirements of Section 16(a) of the Exchange Act.

"Separation from Service" shall have the meaning set forth in Section 1.409A-1(h) of the Treasury Regulations.

"Service Agreement" means any employment, severance, consulting or similar agreement between the applicable Participant and the Company or any of its Subsidiaries or Affiliates.

"Specified Employee" shall have the meaning set forth in Section 409A of the Code and the Treasury Regulations promulgated thereunder.

"Share Award" shall have the meaning set forth in Section 7(d)(i).

"Share Payment" shall mean a share payment that is subject to the terms, conditions, and limitations described or referred to in Section 7(d)(ii).

"Share Unit" shall mean a share unit that is subject to the terms, conditions and limitations described or referred to in Section 7(c).

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations (other than the last corporation) in the unbroken chain owns shares possessing fifty percent (50%) or more of the total combined voting power of all classes of shares in one of the other corporations in the chain (or such lesser percent as is permitted by Section 1.409A-1(b)(5)(iii)(E) of the Treasury Regulations).

"Substitute Award" means an Award granted in connection with a transaction between the Company (or a Subsidiary) and another entity or business acquired by the Company (or a Subsidiary), or with which the Company or a Subsidiary combines, in substitution or exchange for, or conversion, adjustment, assumption or replacement of, awards previously granted by such other entity or business.

"Termination of Service" means, unless as otherwise provided in an Award Agreement, and subject to Section 8.06(a) and 8.06(c) of the Employee Matters Agreement with respect to Converted Awards held by BHC Participants, in the case of a Participant who is an Employee, cessation of the employment relationship such that the Participant is no longer an employee of the Company or any Subsidiary or Affiliate, or, in the case of a Participant who is a Consultant or non-employee Director, the date the

performance of services for the Company or any Subsidiary has ended; provided, however, that in the case of a Participant who is an Employee, the transfer of employment from the Company to a Subsidiary or Affiliate, from a Subsidiary or Affiliate to the Company, from one Subsidiary or Affiliate to another Subsidiary or Affiliate or, unless the Committee determines otherwise, the cessation of employee status but the continuation of the performance of services for the Company, a Subsidiary or an Affiliate as a Director or Consultant shall not be deemed a cessation of service that would constitute a Termination of Service; provided, further, that a Termination of Service shall be deemed to occur for a Participant employed by, or performing services for, a Subsidiary or an Affiliate when such Subsidiary or Affiliate ceases to be a Subsidiary or an Affiliate, as applicable, unless such Participant's employment or service continues with the Company or another Subsidiary or Affiliate. Notwithstanding the foregoing, with respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a Termination of Service occurs when a Participant experiences a Separation of Service.

"Treasury Regulations" shall mean the regulations promulgated under the Code by the United States Internal Revenue Service, as amended.

"TSX" means the Toronto Stock Exchange.

4. Administration

(a) **Committee Authority**. Subject to applicable law, the Committee shall have full and exclusive power to administer and interpret the Plan, to grant Awards and to adopt such administrative rules, regulations, procedures and guidelines governing the Plan and the Awards as it deems appropriate, in its sole discretion, from time to time. The Committee's authority shall include, but not be limited to, the authority to: (i) determine the type of Awards (including Substitute Awards) to be granted under the Plan; (ii) select Award recipients and determine the extent of their participation; (iii) determine Performance Criteria; (iv) establish all other terms, conditions, and limitations applicable to Awards, Award programs and, if applicable, the Common Shares issued pursuant thereto; (v) determine whether, to what extent, under what circumstances and by which methods Awards may be settled or exercised in cash, Common Shares, other Awards, other property, net settlement (including broker-assisted cashless exercise), or any combination thereof, or canceled, forfeited or suspended; and (vi) establish, amend, suspend or waive such rules and regulations and appoint such agents, trustees, brokers, depositories and advisors and determine such terms of their engagement as it shall deem appropriate for the proper administration of the Plan and due compliance with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations. The Committee may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, waive any conditions or restrictions imposed with respect to Awards or the Common Shares issued pursuant to Awards and make any and all other determinations that it deems appropriate with respect to the administration of the Plan, subject to the limitations contained in Sections 6(d) and 19 of the Plan and applicable law and listing rules with respect to all Participants.

(b) **Administration of the Plan**. The administration of the Plan shall be managed by the Committee. All determinations of the Committee shall be made by a majority of its members either present in person or participating by conference telephone at a meeting or by written consent. The Committee shall have the power to prescribe and modify the forms of Award Agreement, correct any defect, supply any omission or clarify any inconsistency in the Plan and/or in any Award Agreement and take such actions and make such administrative determinations that the Committee deems appropriate in its sole discretion. Any decision of the Committee in the administration of the Plan, as described herein, shall be final, binding and conclusive on all parties concerned, including the Company, its shareholders and Subsidiaries and all Participants. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards or administer the Plan. In any such case, the Board shall have all of the authority and responsibility granted to the Committee herein.

(c) **Delegation of Authority**. To the extent permitted by applicable law, the Committee may at any time delegate to one or more officers or Directors of the Company some or all of its authority over the

administration of the Plan (including the authority to grant Awards under the Plan), with respect to individuals who are not Section 16(a) Insiders.

(d) **Indemnification**. No member of the Committee or any other Person to whom any duty or power relating to the administration or interpretation of the Plan has been delegated shall be personally liable for any action or determination made with respect to the Plan, except for his or her own willful misconduct or as expressly provided by statute. The members of the Committee and its delegates, including any employee with responsibilities relating to the administration of the Plan, shall be entitled to indemnification and reimbursement from the Company, to the extent permitted by applicable law and the by-laws and policies of the Company. To the fullest extent permitted by the law, in the performance of its functions under the Plan, the Committee (and each member of the Committee and its delegates) shall be entitled to rely upon information and advice furnished by the Company's officers, accountants, counsel and any other party they deem appropriate, and neither the Committee nor any such Person shall be liable for any action taken or not taken in reliance upon any such advice.

5. Participation

(a) **Eligible Recipients**. Subject to applicable law and Section 7 hereof, the Committee shall determine, in its sole discretion, which Eligible Recipients shall be granted Awards under the Plan; provided that Converted Awards may be granted under the Plan solely in accordance with the Employee Matters Agreement. Holders of equity compensation awards granted by an entity or business that is acquired by the Company or a Subsidiary (or whose business is acquired by the Company or a Subsidiary) or with which the Company or a Subsidiary combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable law and the applicable regulations of any stock exchange on which the Company is then listed.

(b) **Participation outside of the United States**. In order to facilitate the granting of Awards to Employees who are foreign nationals or who are employed outside of the U.S., the Committee may provide for such special terms and conditions, including, without limitation, substitutes for Awards, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. The Committee may approve any supplements to, or amendments, restatements or alternative versions of, this Plan (including sub-plans) as it may consider necessary or appropriate for the purposes of this Section 5(b) without thereby affecting the terms of this Plan as in effect for any other purpose, and the appropriate officer of the Company may certify any such documents as having been approved and adopted pursuant to properly delegated authority; provided, that no such supplements, amendments, restatements or alternative versions shall include any provisions that are inconsistent with the intent and purpose of this Plan, as then in effect; further provided that any such action taken with respect to an Employee who is subject to Section 409A of the Code shall be taken in compliance with Section 409A of the Code; and further provided that any such supplements, amendments and restatements or alternative versions shall be subject to any required TSX approval (to the extent applicable at such time).

6. Available Shares of Common Shares

(a) **Shares Subject to the Plan**. Subject to the following provisions of this Section 6 (including, without limitation, the provisions regarding adjustment in accordance with Section 6(e)) and except for Converted Awards and Substitute Awards, the maximum number of Common Shares available for issuance pursuant to Awards under the Plan shall not exceed 52,000,000 Common Shares in the aggregate (the "Share Pool"), which includes (i) the existing reserve of 38,000,000 Common Shares under the Plan and (ii) an increase of 14,000,000 Common Shares, as approved by the Board, subject to approval by the Company's shareholders. Common Shares issued pursuant to Awards granted under the Plan may be shares that have been authorized but unissued, or have been purchased in open market transactions or otherwise.

(b) **Forfeited and Expired Awards**. If any shares subject to an Award (other than a Converted Award or a Substitute Award) are forfeited, cancelled, exchanged or surrendered, or if an Award (other than a Converted Award or a Substitute Award) terminates or expires without a distribution of Common

Shares to the Participant, the Common Shares with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Plan. Notwithstanding the foregoing, (i) the Common Shares surrendered or withheld as payment of either the exercise price of an Option (including shares otherwise underlying an Award of a SAR that are retained by the Company to account for the exercise price of such SAR) and/or withholding taxes in respect of an Award shall no longer be available for Awards under the Plan and (ii) any Common Shares subject to any Converted Award or Substitute Award that is (A) forfeited, cancelled, exchanged, surrendered, cancelled or otherwise terminates or expires without a distribution of Common Shares or (B) surrendered or withheld as payment of either the exercise price of a Converted Award or Substitute Award and/or withholding taxes in respect of a Converted Award or Substitute Award, in each case, will not again become available for distribution in connection with Awards under the Plan.

(c) **Other Items Not Included in Allocation** . The maximum number of Common Shares that may be issued under the Plan as set forth in Section 6(a) shall not be affected by (i) the payment in cash of dividends or dividend equivalents in connection with outstanding Awards to the extent such cash dividends or dividend equivalents are permitted in accordance with Section 8, (ii) the granting or payment of share-denominated Awards that by their terms may be settled only in cash, (iii) the granting of Cash Awards or (iv) the grant of, or issuance of Common Shares pursuant to, Converted Awards or Substitute Awards. For the avoidance of doubt, Common Shares underlying Converted Awards or Substitute Awards and, subject to any required approval by the TSX (to the extent applicable at such time), Common Shares remaining available for grant under a plan of an acquired company or of a company with which the Company or a Subsidiary combines (whether by way of amalgamation, merger, sale and purchase of shares or other securities or otherwise), appropriately adjusted to reflect the acquisition or combination transaction, shall not reduce the number of Common Shares remaining available for grant hereunder.

(d) **ISO Limit**. Subject to Section 6(e), the maximum number of Common Shares available for issuance with respect to ISOs shall be the Share Pool.

(e) **Adjustments**. In the event of any change in the Company's capital structure, including, but not limited to, a change in the number of Common Shares outstanding, on account of (i) any stock dividend, stock split, reverse stock split or any similar equity restructuring or (ii) any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization, or divesture or any other similar event affecting the Company's capital structure, or changes in applicable laws, regulations or accounting principles, to reflect such change in the Company's capital structure, the Committee shall make appropriate equitable adjustments to the maximum number and type of Common Shares (or other securities) that may be issued under the Plan as set forth in Section 6(a) and the limit set forth in Section 6(d). In the event of any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to shareholders, or any transaction or event described above, or changes in applicable laws, regulations or accounting principles, to the extent necessary to prevent the enlargement or diminution of the rights of Participants, the Committee shall make appropriate equitable adjustments to the number or kind of shares subject to an outstanding Award (including the identity of the issuer), the exercise or hurdle price applicable to an outstanding Award, and/or any measure of performance that relates to an outstanding Award, including any applicable Performance Criteria. Any adjustment to ISOs under this Section 6(e) shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code. With respect to Awards subject to Section 409A of the Code, any adjustments under this Section 6(e) shall conform to the requirements of Section 409A of the Code. Notwithstanding anything set forth herein to the contrary, the Committee may, in its discretion, decline to adjust any Award made to a Participant, if it determines that such adjustment would violate applicable law or result in adverse tax consequences to the Participant or to the Company. If, as a result of any adjustment under this Section 6(e), a Participant would become entitled to a fractional Common Share, the Participant has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded. Adjustments under this Section 6(e) are subject to any applicable regulatory approvals.

(f) **Non-Employee Director Limitations**. In any calendar year, no Participant who is a non-employee Director shall be granted Options, SARs, Share Units, Share Awards, Cash Awards or any other compensation with an aggregate fair market value as of the grant date (as determined in accordance with applicable accounting standards) or payment date, as applicable, in excess of $750,000. This limitation will not apply with respect to any Converted Awards granted to a non-employee Director in accordance with the Employee Matters Agreement.

(g) **Other Limitations on Shares that May be Granted under the Plan** . Subject to Section 6(e), (i) the number of Common Shares issuable to Insiders, at any time, under all security-based compensation arrangements of the Company, cannot exceed 10% of issued and outstanding Common Shares of the Company and (ii) the number of Common Shares issued to Insiders, within any one year period, under all security-based compensation arrangements of the Company, cannot exceed 10% of issued and outstanding securities and (iii) the number of Common Shares issuable to non-employee Directors, at any time, under all security-based compensation arrangements of the Company, cannot exceed 1% of issued and outstanding Common Shares of the Company.

7. Awards Under The Plan

Awards under the Plan may be granted in the form Options, SARs, Share Units, Share Awards, Cash Awards or Converted Awards as described below. Awards may be granted singly, in combination or in tandem as determined by the Committee, in its sole discretion.

(a) **Options**. Options granted under the Plan shall be designated as Nonqualified Stock Options or ISOs. Options shall expire after such period, not to exceed a maximum of ten years, as may be determined by the Committee (the “Original Term”). If an Option is exercisable in installments, such installments or portions thereof that become exercisable shall remain exercisable until the Option expires or is otherwise canceled pursuant to its terms. Notwithstanding anything to the contrary in this Section 7(a), except as otherwise determined by the Committee, and subject to compliance with Section 409A of the Code (including Section 1.409A-1(v)(C)(1) of the Treasury Regulations), if the Original Term of an Option held by a Participant expires during a Blackout Period, the term of such Option shall be extended until the tenth Business Day following the end of the Blackout Period, at which time any unexercised portion of the Option shall expire; provided, however, that in no event shall such extension pursuant to this provision result in the term of such Option being extended beyond the latest date which would not result in an extension within the meaning of Section 1.409A-1(v)(C)(1) of the Treasury Regulations. Except as otherwise provided in this Section 7(a), Options shall be subject to the terms, conditions, restrictions, and limitations determined by the Committee, in its sole discretion, from time to time.

(i) **Exercise Price**. The Committee shall determine the exercise price per share for each Option, which, except with respect to Converted Awards and Substitute Awards, shall not be less than 100% of the Market Price (as of the date of grant) of the Common Shares subject to the Option.

(ii) **Exercise of Options**. Upon satisfaction of the applicable conditions relating to vesting and exercisability (including any service-based and/or performance-based vesting conditions), as determined by the Committee, and upon provision for the payment in full of the exercise price and applicable taxes due, the Participant shall be entitled to exercise the Option and receive the number of Common Shares issuable in connection with the Option exercise. The Common Shares issued in connection with the Option exercise may be subject to such conditions and restrictions as the Committee may determine, from time to time. The exercise price of an Option and applicable withholding taxes relating to an Option exercise may be paid by methods permitted by the Committee from time to time including, but not limited to, (1) a cash payment; (2) subject to applicable corporate and securities laws, tendering (either actually or by attestation) Common Shares owned by the Participant (for any minimum period of time that the Committee, in its discretion, may specify), valued at the Market Price at the time of exercise; (3) arranging to have the appropriate number of Common Shares issuable upon the exercise of an Option withheld or sold (including pursuant to a “sell-to-cover” method) pursuant to such procedures as determined by the Committee in its discretion; or (4) any

combination of the above. Additionally, the Committee may provide that an Option may be "net exercised," meaning that upon the exercise of an Option or any portion thereof, the Company shall deliver the number of whole Common Shares equal to (A) the difference between (x) the aggregate Market Price of the Common Shares subject to the Option (or the portion of such Option then being exercised) and (y) the aggregate exercise price for all such Common Shares under the Option (or 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 the 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 shall be canceled.

(iii) **ISOs**. The terms and conditions of ISOs granted hereunder shall be subject to the provisions of Section 422 of the Code and the terms, conditions, limitations and administrative procedures established by the Committee from time to time in accordance with the Plan. At the discretion of the Committee, ISOs may be granted only to an employee of the Company, its "parent corporation" (as such term is defined in Section 424(e) of the Code) or a Subsidiary.

(1) **ISO Grants to 10% Shareholders**. Notwithstanding anything to the contrary in this Section 7(a), if an ISO is granted to a Participant who owns shares representing more than ten percent of the voting power of all classes of shares of the Company, its "parent corporation" (as such term is defined in Section 424 (e) of the Code) or a Subsidiary, the term of the Option shall not exceed five years from the time of grant of such Option and the exercise price shall be at least 110 percent of the Market Price (as of the date of grant) of the Common Shares subject to the Option.

(2) **$100,000 Per Year Limitation for ISOs**. To the extent the aggregate Market Price (determined as of the date of grant) of the Common Shares for which ISOs are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds $100,000, such excess ISOs shall be treated as Nonqualified Stock Options.

(3) **Disqualifying Dispositions**. Each Participant awarded an ISO under the Plan shall notify the Company in writing immediately after the date he or she makes a "disqualifying disposition" of any Common Shares acquired pursuant to the exercise of such ISO. A "disqualifying disposition" is any disposition (including any sale) of such Common Shares before the later of (i) two years after the date of grant of the ISO and (ii) one year after the date the Participant acquired the Common Shares by exercising the ISO. The Company may, if determined by the Committee and in accordance with procedures established by it, retain possession of any Common Shares acquired pursuant to the exercise of an ISO as agent for the applicable Participant until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such shares.

(iv) **No Dividends or Dividend Equivalents**. No Option will be eligible for the payment of dividends or dividend equivalents.

(v) Subject to applicable laws and Company policies, the Committee may provide in any applicable Award Agreement that, if, as of the last day of the Original Term of the Option, (i) the Market Price of the Common Shares subject to the Option exceeds the aggregate exercise price of the Option and (ii) the Participant has not previously exercised such Option, then the Option shall be deemed to have been automatically exercised by the Participant on such date (the "Automatic Exercise Date"), which such automatic exercise shall be made on a "net exercise" basis (pursuant to such terms and procedures as determined by the Committee) to cover the applicable exercise price applicable to such Option and any applicable tax withholding obligations; provided that, unless otherwise determined by the Committee, this Section 7(a)(v) shall not apply to any Option held by a Participant who has incurred a Termination of Service on or before the Automatic Exercise Date.

(b) **Share Appreciation Rights**. A SAR represents the right to receive a payment in cash, Common Shares, or a combination thereof, in an amount equal to the product of (1) the excess of the Market Price per Common Share on the date the SAR is exercised over the exercise price per Common Share of such SAR (which exercise price shall be no less than 100% of the Market Price of the Common Shares subject to the SAR as of the date the SAR was granted, except in the case of Substitute Awards and Converted Awards) and (2) the number of Common Shares subject to the portion of the SAR being exercised. If a SAR is paid in Common Shares, the number of Common Shares to be delivered will equal the amount determined to be payable in accordance with the prior sentence divided by the Market Price of a Common Share at the time of payment. The Committee shall establish the Original Term of a SAR, which shall not exceed a maximum of ten years. Notwithstanding anything to the contrary in this Section 7(b), except as otherwise determined by the Committee, and subject to compliance with Section 409A of the Code (including Section 1.409A-1(v)(C)(1) of the Treasury Regulations) if the Original Term of a SAR held by the Participant expires during a Blackout Period, the term of such SAR shall be extended until the tenth Business Day following the end of the Blackout Period, at which time any unexercised portion of the SAR shall expire; provided, however, that in no event shall such extension pursuant to this provision result in the term of such SAR being extended beyond the latest date which would not result in an extension within the meaning of Section 1.409A-1(v)(C)(1) of the Treasury Regulations. Except as otherwise provided in this Section 7(b), SARs shall be subject to the terms, conditions, restrictions and limitations determined by the Committee, in its sole discretion, from time to time. A SAR may only be granted to an Eligible Recipient to whom an Option could be granted under the Plan. No SAR will be eligible for the payment of dividends or dividend equivalents.

(c) **Share Units**. A Share Unit is an Award that represents the right to receive a Common Share or a cash payment equal to the Market Price of a Common Share. Subject to the terms of the Plan, Share Units shall be subject to such terms and conditions (including, without limitation, service-based and/or performance-based vesting conditions, including Performance Criteria), restrictions and limitations as the Committee may determine to be applicable to such Share Units, in its sole discretion, from time to time and set forth in the applicable Award Agreement.

(i) **Share Units Subject to Performance Criteria**. If the Share Unit is subject to performance-based vesting conditions, (1) the Performance Criteria to be achieved during any Performance Period, the applicable range for the Performance Multiplier, the amount of any payment to be made pursuant to any such Award, the length of any Performance Period and the number of Share Units granted will be determined by the Committee; and (2) the Award Agreement will specify the Performance Multiplier applicable to the Performance Criteria.

(ii) **Delivery of Common Shares or Cash Upon Settlement**. Upon satisfaction of the applicable conditions relating to vesting (including the achievement or satisfaction of any Performance Criteria), the Committee will determine the number of Share Units that will vest, which, to the extent applicable, will be based on the Performance Multiplier (if any). Settlement of any such Award of Share Units shall be made in Common Shares, cash or a combination of Common Shares and cash, as determined in the discretion of the Committee.

(iii) **Blackout Period**. In the event that any Share Unit is scheduled by its terms to be settled in Common Shares (the “Original Distribution Date”) during a Blackout Period, then, if the Participant is restricted from selling Common Shares during the Blackout Period, the Committee in its discretion, may determine that such Common Shares subject to the Share Unit shall not be delivered on such Original Distribution Date and shall instead be delivered as soon as practicable following the expiration of the Blackout Period; provided, however, that in no event shall the delivery of the Common Shares be delayed pursuant to this provision beyond the latest date on which such delivery could be made without violating Section 409A of the Code.

(iv) **Dividend Equivalents**. Share Units may be credited with dividend equivalents, subject to and in accordance with Section 8 of the Plan.

(d) **Share Awards**.

(i) **Form of Awards**. The Committee may grant Awards that are payable in Common Shares or denominated in units equivalent in value to Common Shares or are otherwise based on or related to Common Shares ("Share Awards"), including, but not limited to, Share Payments, Restricted Shares, and Deferred Shares. Share Awards shall be subject to such terms, conditions (including, without limitation, service-based and performance-based vesting conditions, including Performance Criteria), restrictions and limitations as the Committee may determine to be applicable to such Share Awards, in its sole discretion, from time to time; provided however, that such Share Awards will be subject to any required TSX approval (to the extent applicable at such time).

(ii) **Share Payment**. If not prohibited by applicable law, the Committee may issue unrestricted Common Shares in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine. A Share Payment may (but need not) be granted as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

(iii) **Restricted Shares**. Restricted Shares shall be subject to the terms, conditions, restrictions, and limitations determined by the Committee, in its sole discretion, from time to time. The number of Restricted Shares allocable to an Award under the Plan shall be determined by the Committee in its sole discretion.

(iv) **Deferred Shares**. Subject to Section 409A of the Code (to the extent applicable), Deferred Shares shall be subject to the terms, conditions, restrictions and limitations determined by the Committee, in its sole discretion, from time to time. A Participant who receives an Award of Deferred Shares shall be entitled to receive the number of Common Shares allocable to his or her Award, as determined by the Committee in its sole discretion, from time to time, at the end of a specified deferral period determined by the Committee. Awards of Deferred Shares represent only an unfunded, unsecured promise to deliver shares in the future and shall not give Participants any greater rights than those of an unsecured general creditor of the Company.

(e) **Cash Awards**. The Committee may grant Awards that are payable to Participants solely in cash, as deemed by the Committee to be consistent with the purposes of the Plan, and, except as otherwise provided in this Section 7(e), such Cash Awards shall be subject to the terms, conditions, restrictions, and limitations determined by the Committee, in its sole discretion, from time to time. Awards granted pursuant to this Section 7(e) may be granted with value and payment contingent upon the achievement of Performance Criteria. Payments earned hereunder may be decreased or increased in the sole discretion of the Committee based on such factors as it deems appropriate.

(f) **Converted Awards**. Converted Awards shall be granted under the Plan in accordance with the terms of the Employee Matters Agreement, and may be granted under the Plan in the form of any other Award, as determined in accordance with the Employee Matters Agreement. Notwithstanding anything in the Plan to the contrary, the terms and conditions of the Plan will 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.

(g) Unless the applicable Award Agreement provides otherwise, the Committee determines otherwise or as otherwise provided by the Employee Matters Agreement with respect to any applicable Converted Awards, (i) vesting with respect to an Award will cease upon a Termination of Service, and unvested Awards shall be forfeited upon such termination and (ii) in the case of a Termination of Service for Cause, vested Awards shall also be forfeited.

8. Dividends and Dividend Equivalents

The Committee may, in its sole discretion, provide that Share Units and/or Share Awards shall earn dividends or dividend equivalents, as applicable. 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 Share Unit or Share Awards been distributed to the Participant as of immediately prior to the record date of such dividend. Such dividends or dividend equivalents may be credited to an account maintained on the books of the Company. Any payment or crediting of dividends or dividend equivalents will be subject to such terms, conditions, restrictions and limitations as the Committee may establish, from time to time, in its sole discretion, including, without limitation, reinvestment in additional Common Shares or common share equivalents; provided, however, if the payment or crediting of dividends or dividend equivalents is in respect of a Share Unit or Share Award that is subject to Section 409A of the Code, then the payment or crediting of such dividends or dividend equivalents shall conform to the requirements of Section 409A of the Code and such requirements shall be specified in writing; and provided further, the payment or crediting of dividends or dividend equivalents shall be subject to the applicable regulations of the TSX (to the extent applicable at such time). Notwithstanding the foregoing, dividends or dividend equivalents (i) shall have the same vesting dates and shall be paid in accordance with the same terms as the Award 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, and then only to the extent determined by the Committee, as specified in the Award Agreement.

9. Nontransferability

Except as may be permitted by the Committee or as specifically provided in an Award Agreement, Awards granted under the Plan, and during any period of restriction on transferability, Common Shares issued in connection with the exercise of an Option or a SAR, 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 shares underlying such Award have been issued, and all restrictions applicable to such shares have lapsed or have been waived by the Committee. No Award or interest or right therein shall be subject to the debts, contracts or engagements of a Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law, by judgment, lien, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy and divorce), and any attempted disposition thereof shall be null and void, of no effect, and not binding on the Company in any way. Notwithstanding the foregoing, the Committee may, in its sole discretion, permit (on such terms, conditions and limitations as it may establish) Nonqualified Stock Options and/or shares issued in connection with an Option or a SAR exercise that are subject to restrictions on transferability, to be transferred to a member of a Participant's immediate family or to a trust or similar vehicle for the benefit of a Participant's immediate family members. During the lifetime of a Participant, all rights with respect to Awards shall be exercisable only by such Participant or, if applicable pursuant to the preceding sentence, a permitted transferee.

10. Effect of a Termination of Service

(a) The Committee may provide, by rule or regulation or in any applicable Award Agreement, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of a Participant's Termination of Service.

(b) Subject to Section 409A of the Code, the Committee may determine, in its discretion, whether, and the extent to which, (i) an Award will vest during a leave of absence, (ii) a reduction in service level (for example, from full-time to part-time employment) will cause a reduction, or other change, to an Award and (iii) a leave of absence or reduction in service will be deemed a Termination of Service.

11. Change of Control

(a) Unless otherwise determined in an Award Agreement, in the event of a Change of Control, the Committee may, in its sole discretion, and on such terms and conditions as it deems appropriate, take any one or more of the following actions with respect to any outstanding Award, which need not be uniform with respect to all Participants and/or Awards:

(i) continuation or assumption of such Award by the Company (if it is the surviving corporation) or by the successor or surviving entity or its parent;

(ii) substitution or replacement of such Award by the successor or surviving entity or its parent with cash, securities, rights 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 such Award (including any applicable performance targets or criteria with respect thereto);

(iii) acceleration of the vesting and the lapse of any restrictions thereon, and in the case of any Option or SAR Award, acceleration of the right to exercise such Award during a specified period, in each case:

(A) with respect to each outstanding Award that is assumed or substituted in connection with a Change of Control, in the event of a Participant's Termination of Service (including upon a termination of the Participant's employment by the Company (or a successor or acquiring corporation or its parent) without Cause or by the Participant for Good Reason, in each case during the 12-month period (or such other period determined by the Committee and specified in the applicable Award Agreement) immediately following such Change of Control, (x) such Award shall become fully vested and exercisable, (y) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (z) any performance conditions (including any Performance Criteria) imposed with respect to Awards shall be deemed to be achieved at target performance levels (or at such other level as determined by the Committee in its discretion or specified in the applicable Award Agreement or the definitive transaction documentation in connection with such Change of Control).

(B) With respect to each outstanding Award that is not assumed or substituted in connection with a Change of Control immediately upon the occurrence of the Change of Control, (x) such Award (including both time-based and performance-based Awards) shall become fully vested and exercisable based on a fraction, the numerator of which is the number of days between the grant date and the date of the Change of Control and the denominator of which is the number of days during the period beginning on the grant date of the Award and ending on the date of vesting of the Award (or such other period as determined by the Committee in its discretion or as may be set forth in the applicable Award Agreement), (y) the restrictions, payment conditions, and forfeiture conditions applicable to any such Award granted shall lapse, and (z) any performance conditions (including any Performance Criteria) imposed with respect to Awards shall be deemed to be achieved at target performance levels (or at such other level as determined by the Committee in its discretion or specified in the applicable Award Agreement or the definitive transaction documentation in connection with such Change of Control) (for the avoidance of doubt, prorated (to the extent applicable) in accordance with clause (B)).

(C) For purposes of this Section 11(a)(iii), an Award shall be considered assumed or substituted for if, following the Change of Control, the Award remains subject to the same terms and conditions that were applicable to the Award immediately prior to the Change of Control, except that, if the Award related to Common Shares, the Award instead confers the right to receive common equity of the surviving or acquiring entity (or its parent).

(iv) in the case of an Award subject to performance-vesting conditions (including Performance Criteria), determination of the level of attainment of the applicable performance-vesting condition(s); and

(v) cancellation of such Award in consideration of a payment, with the form, amount and timing of such payment determined by the Committee in its sole discretion, subject to the following: (A) such payment shall be made in cash or, subject to any required TSX approval (to the extent applicable at such time), securities, rights and/or other property; (B) the amount of such payment shall equal the value of such Award, as determined by the Committee in its sole discretion (which may be determined by reference to the consideration paid per Common Share in the Change of Control); provided that, in the case of an Option or SAR Award, if such value equals the Intrinsic Value of such Award, such value shall be deemed to be valid; provided further that, if the Intrinsic Value of an Option or SAR Award is equal to or less than zero, the Committee may, in its sole discretion, provide for the cancellation of such Award without payment of any consideration therefor (for the avoidance of doubt, in the event of a Change of Control, the Committee may, in its sole discretion, terminate any Option or SAR Awards for which the exercise price is equal to or exceeds the per Common Share value of the consideration to be paid in the Change of Control transaction without payment of consideration therefor); and (C) such payment shall be made promptly following such Change of Control or on a specified date or dates following such Change of Control; provided that the timing of such payment shall comply with Section 409A of the Code.

(b) For purposes of this Agreement, a "Change of Control" shall be deemed to occur if and when the first of the following occurs:

(i) the acquisition (other than from the Company), by any person (as such term is defined in Section 13(d) or 14(d) of the Exchange Act, including a "group" as defined in Section 13(d) thereof) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of the combined voting power of the Company's then outstanding voting securities;

(ii) the individuals who, as of the date hereof, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board, unless the election, or nomination for election by the Company's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and such new director shall be considered as a member of the Incumbent Board;

(iii) the closing of an amalgamation or similar business combination (each, an "Amalgamation") involving the Company if (i) the shareholders of the Company, immediately before such Amalgamation, do not, as a result of such Amalgamation, own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such Amalgamation (or, if the entity resulting from such Amalgamation is then a subsidiary, the ultimate parent thereof) in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such Amalgamation or (ii) immediately following the Amalgamation, the individuals who comprised the Board immediately prior thereto do not constitute at least a majority of the board of directors of the entity resulting from such Amalgamation (or, if the entity resulting from such Amalgamation is then a subsidiary, the ultimate parent thereof);

(iv) a complete liquidation or dissolution of the Company or the consummation of the sale or other disposition of all or substantially all of the assets of the Company.

(c) Notwithstanding the foregoing, a Change of Control shall not be deemed to occur solely because fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries or (ii) any corporation which,

immediately prior to such acquisition, is owned directly or indirectly by the shareholders of the Company in the same proportion as their ownership of shares in the Company immediately prior to such acquisition. In addition, notwithstanding the foregoing, solely to the extent required by Section 409A of the Code, a Change of Control shall be deemed to have occurred only if a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code and the Treasury Regulations thereunder.

12. Clawback

The Committee may specify in an Award Agreement that a Participant's rights, payments and benefits with respect to an Award shall 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 a Termination of 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, that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Subsidiaries (or, in the case of Converted Awards held by the BHC Participants, the Parent Group (as defined in the Employee Matters Agreement)). The Committee shall have full 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. Notwithstanding anything to the contrary contained herein, any Awards granted under the Plan (including any amounts or benefits arising from such Awards) shall be subject to any clawback or recoupment arrangements or policies the Company (or, in the case of Converted Awards held by BHC Participants, BHC) has in place from time to time, and the Committee may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any Awards granted to the Participant or any Common Shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of Common Shares underlying such Awards.

13. Award Agreements

Each Award under the Plan shall be evidenced by an Award Agreement (as such may be amended from time to time) that sets forth the terms, conditions, restrictions and limitations applicable to the Award, including, but not limited to, the provisions governing vesting, exercisability, payment, forfeiture, and Termination of Service, all or some of which may be incorporated by reference into one or more other documents delivered or otherwise made available to a Participant in connection with an Award.

14. Tax Withholding

Participants shall be solely responsible for any applicable taxes (including, without limitation, income, payroll and excise taxes) and penalties, and any interest that accrues thereon, which they incur in connection with the receipt, vesting or exercise of an Award. The Company and its Subsidiaries and Affiliates shall have the right to require payment of, or may deduct from any payment made under the Plan or otherwise to a Participant, or may permit shares to be tendered or sold, including Common Shares delivered or vested in connection with an Award, in an amount sufficient to cover withholding of any federal, state, provincial, territorial, local, foreign or other governmental taxes or charges required by law or such greater amount of withholding as the Committee shall determine from time to time and to take such other action as may be necessary to satisfy any such withholding obligations. It shall be a condition to the obligation of the Company to issue Common Shares upon the exercise of an Option, or SAR, or upon settlement of a Share Award, that the Participant pay to the Company, on demand, such amount as may be requested by the Company for the purpose of satisfying any tax withholding liability. If the amount is not paid, the Company may refuse to issue shares. Notwithstanding anything to the contrary herein, satisfaction of tax withholding obligations in respect of Converted Awards held by BHC Participants shall be subject to the terms set forth in the Employee Matters Agreement (including, without limitation, Section 8.06 thereof).

15. Other Benefit and Compensation Programs

Awards received by Participants under the Plan shall not be deemed a part of a Participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan or severance program unless specifically provided for under the plan or program. Unless specifically set forth in an Award Agreement, Awards under the Plan are not intended as payment for compensation that otherwise would have been delivered in cash, and even if so intended, such Awards shall be subject to such vesting requirements and other terms, conditions and restrictions as may be provided in the Award Agreement.

16. Unfunded Plan

The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. The Plan shall not establish any fiduciary relationship between the Company and any Participant or other Person. To the extent any Participant holds any rights by virtue of an Award granted under the Plan, such rights shall constitute general unsecured liabilities of the Company and shall not confer upon any Participant or any other Person any right, title, or interest in any assets of the Company.

17. Rights as a Shareholder

Unless the Committee determines otherwise, a Participant shall not have any rights as a shareholder with respect to Common Shares covered by an Award until the date the Participant becomes the holder of record with respect to such Common Shares. No adjustment will be made for dividends or other rights for which the record date is prior to such date, except as provided in Section 8.

18. Future Rights

No Eligible Recipient shall have any claim or right to be granted an Award under the Plan. There shall be no obligation of uniformity of treatment of Eligible Recipients under the Plan. Further, the Company and its Subsidiaries and Affiliates may adopt other compensation programs, plans or arrangements as deemed appropriate or necessary. The adoption of the Plan, or grant of an Award, shall not confer upon any Eligible Recipient any right to continued employment or service in any particular position or at any particular rate of compensation, nor shall it interfere in any way with the right of the Company or a Subsidiary or Affiliate to terminate the employment or service of Eligible Recipients at any time, free from any claim or liability under the Plan.

19. Amendment and Termination

(a) The Plan and any Award may be amended, suspended or terminated at any time by the Board, provided that no amendment shall 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 the Common Shares are traded or quoted. Except as otherwise provided in Section 11(a), no termination, suspension or amendment of the Plan or any Award shall materially adversely affect the right of any Participant with respect to any Award theretofore granted, as determined by the Committee, without such Participant's written consent.

(b) Notwithstanding Section 19(a), the Company shall obtain shareholder approval for: (i) except as provided in Section 6(e), 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; (iii) any amendment to the ISO limits described in Section 6(d); (iv) any amendment to remove or to exceed the participation limits described in Section 6(g), including but not limited to those applicable to Insiders; (v) an increase to the maximum number of Common Shares issuable under the Plan pursuant to Section 6(a) (other than adjustments in accordance with Section 6(e)); (vi) amendments to this Section 19 other than amendments of a clerical nature; and (vii)

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.

20. Option and SAR Repricing

Except as provided in Section 6(e) and without limiting Section 19(b)(i), the Committee may not, without shareholder approval, seek to effect any re-pricing of any previously granted "underwater" Option or SAR by: (i) amending or modifying the terms of the Option or SAR to lower the exercise price; (ii) cancelling the underwater Option or SAR and granting either (A) replacement Options or SARs having a lower exercise price or (B) Restricted Shares, Share Units, or Other Share Awards in exchange; or (iii) cancelling or repurchasing the underwater Options or SARs for cash or other securities. An Option or SAR will be deemed to be "underwater" at any time when the Market Value of the Common Shares covered by such Award is less than the exercise price of the Award.

21. Successors and Assigns

The Plan and any applicable Award Agreement shall be binding on all successors and assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

22. Severability

If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Participant or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, Participant or Award, and the remainder of the Plan and any such Award Agreement shall remain in full force and effect.

23. Governing Law

The Plan and all agreements entered into under the Plan shall be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

24. Interpretation

The Plan is designed and intended, to the extent applicable, to provide for grants and other transactions which are exempt under Rule 16b-3, and all provisions hereof shall be construed in a manner to so comply. Awards under the Plan are also intended to be exempt from, or otherwise comply with Section 409A of the Code to the extent subject thereto, and the Plan and all Awards shall be interpreted in accordance with Section 409A of the Code and Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of the Plan. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding any provision in the Plan to the contrary, no payment or distribution under this Plan that constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of a Participant's Termination of Service with the Company shall be made to such Participant until such Participant's Termination of Service constitutes a Separation from Service. For purposes of this Plan and any Award granted hereunder, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A of the Code. If a participant is a Specified Employee, then to the extent necessary to avoid the imposition of taxes under Section 409A of the Code, such Participant shall not be entitled to any payments upon a termination of his or her employment or service until the earlier of: (i) the expiration of the six (6)-month period measured

from the date of such Participant's Separation from Service or (ii) the date of such Participant's death. Upon the expiration of the applicable waiting period set forth in the preceding sentence, all payments and benefits deferred pursuant to this Section 24 (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such deferral) shall be paid to such Participant in a lump sum as soon as practicable, but in no event later than sixty (60) calendar days, following such expired period, and any remaining payments due under this Plan will be paid in accordance with the normal payment dates specified for them herein or the terms of the applicable Award. If an Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), a Participant's right to such series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if an Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), a Participant's right to such dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding any provision of the Plan to the contrary, in no event shall the Company or any Affiliate be liable to a Participant on account of an Award's failure to (i) qualify for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment under U.S. or foreign law, including, without limitation, Section 409A, 4999 or 457A of the Code.

25. Data Protection

In connection with the Plan, the Company or its Affiliates, as applicable, may need to process personal data (as such term, "personal information," "personally identifiable information," or any other term of comparable intent, is defined under applicable laws or regulations, in each case to the extent applicable) provided by the Participant to, or otherwise obtained by, the Company or its Affiliates, their respective third party service providers or others acting on the Company's or its Affiliates' behalf. Examples of such personal data may include, without limitation, the Participant's name, account information, social security number, tax number and contact information. The Company or its Affiliates may process such personal data for the performance of the contract with the Participant in connection with the Plan and in its legitimate business interests for all purposes relating to the operation and performance of the Plan, including but not limited to:

(a) administering and maintaining Participant records;

(b) providing the services described in the Plan;

(c) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which such Participant works; and

(d) responding to public authorities, court orders and legal investigations and complying with law, as applicable.

The Company or its Affiliates may share the Participant's personal data with (i) Subsidiaries and Affiliates, (ii) trustees of any employee benefit trust, (iii) registrars, (iv) brokers, (v) third party administrators of the Plan, (vi) third party service providers acting on the Company's or its Affiliates' behalf to provide the services described above, (vii) future purchasers or merger partners (as described above) or (viii) regulators and others, as required by law or in order to provide the services described in the Plan.

If necessary, the Company or its Affiliates may transfer the Participant's personal data to any of the parties mentioned above in a country or territory that may not provide the same protection for the information as the Participant's home country. Any transfer of the Participant's personal data to recipients in a third country will be made subject to appropriate safeguards or applicable derogations provided for, and to the extent required, under applicable law. Further information on those safeguards or derogations can be obtained through, and other questions regarding this Section 25 may be directed to, the contact set forth in the applicable employee privacy notice or other privacy policy that previously has been made available by the Company or its applicable Affiliate to the Participant (as applicable, and as updated from

time to time by the Company or its applicable Affiliate upon notice to the Participant, the “Employee Privacy Notice”). The terms set forth in this Section 25 are supplementary to the terms set forth in the Employee Privacy Notice (which, among other things, further describes the Company’s and its Affiliates’ processing activities, and the rights of the Participant, with respect to the Participant’s personal data); provided that, in the event of any conflict between the terms of this Section 25 and the terms of the Employee Privacy Notice, the terms of this Section 25 shall govern and control in relation to the processing of such personal data in connection with the Plan.

The Company and its Affiliates will keep personal data collected in connection with the Plan for as long as necessary to operate the Plan or as necessary to comply with any legal or regulatory requirements and in accordance with the Company’s and its Affiliates’ backup and archival policies and procedures.

Certain Participants may have a right, as further described in the Employee Privacy Notice, to (i) request access to and rectification or erasure of the personal data provided, (ii) request the restriction of the processing of his or her personal data, (iii) object to the processing of his or her personal data, (iv) receive the personal data provided to the Company or its Affiliates and transmit such data to another party, and (v) to lodge a complaint with a supervisory authority.

Exhibit 10.2

AMENDED AND RESTATED

EMPLOYEE MATTERS AGREEMENT

by and between

BAUSCH HEALTH COMPANIES INC.

and

BAUSCH + LOMB CORPORATION

Dated as of July 31, 2024

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AMENDED AND RESTATED EMPLOYEE MATTERS AGREEMENT

This AMENDED AND RESTATED EMPLOYEE MATTERS AGREEMENT, dated as of July 31, 2024, is by and between BAUSCH HEALTH COMPANIES INC., a corporation incorporated under the British Columbia Business Corporations Act ("**Parent**"), and BAUSCH + LOMB CORPORATION, a company incorporated under the laws of Canada (the "**Company**" or "**SpinCo**").

R E C I T A L S

WHEREAS, Parent and the Company have entered into the Master Separation Agreement, dated as of March 30, 2022 (as amended, the "**Master Separation Agreement**"), pursuant to which Parent and the Company has effectuated, or will effectuate, as the case may be, the Transactions;

WHEREAS, as contemplated by the Master Separation Agreement, Parent and the Company previously entered into the Employee Matters Agreement (the "**Prior Agreement**"), dated as of March 30, 2022 (the "**Original Effective Date**"), for the purpose of allocating between them the Assets, Liabilities and responsibilities with respect to certain employee matters (including employee compensation and benefit plans and programs);

WHEREAS, Parent and the Company desire to amend and restate the Prior Agreement as set forth herein, and this Agreement shall supersede and replace the Prior Agreement in its entirety as if it were in effect as of the Original Effective Date;

WHEREAS, Parent and the Company have agreed that, except as otherwise specifically provided herein, the general approach and philosophy underlying this Agreement is to (a) allocate Assets, Liabilities and responsibilities to the SpinCo Group (as opposed to the Parent Group) to the extent they relate to current or former employees and other service providers primarily related to the SpinCo Assets or the SpinCo Business and (b) allocate Assets, Liabilities and responsibilities (other than those described in clause (a) above) to the Parent Group (as opposed to the SpinCo Group); and

WHEREAS, except as expressly set forth herein, this Agreement is not intended to address the matters specifically and expressly covered by the Plan of Reorganization (as defined in the Master Separation Agreement).

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. *Certain Definitions*. For purposes of this Agreement, the following terms shall have the following meanings; *provided* that capitalized terms used but not otherwise defined in this Section 1.01 shall have the respective meanings ascribed to such terms in the Master Separation Agreement:

"**2021 Aggregate Cash Bonus Amount**" has the meaning set forth in Section 7.01(a) hereto.

"**2021 Bonus Certification Date**" has the meaning set forth in Section 7.01(a) hereto.

"**2021 Bonus Plan**" has the meaning set forth in Section 7.01(a) hereto.

"**2021 Cash Bonuses**" has the meaning set forth in Section 7.01(a) hereto.

"**401(k) Plan Commencement Date**" means January 1, 2022 (or such later date as mutually identified by the parties, but in no event later than six (6) months following the Separation Time) or, in the case of Delayed Transfer Employees, if later, the applicable Delayed Transfer Date.

"**Adjusted Parent Awards**" means, collectively, the Adjusted Parent Options, the Adjusted Parent PRSUs and the Adjusted Parent RSUs.

"**Adjusted Parent Option**" means any Parent Option adjusted pursuant to Section 8.03(b) hereto.

"**Adjusted Parent PRSU**" means any Parent PRSU adjusted pursuant to Section 8.02(a) or 8.02(b) hereto.

"**Adjusted Parent Deferred RSU**" means any Parent Deferred RSU adjusted pursuant to Section 8.02(a) hereto.

"**Adjusted Parent RSU**" means any Parent RSU adjusted pursuant to Section 8.02(a) or 8.02(b) hereto.

"**Agency Agreement**" means, to the extent applicable, any agency agreement by and between Solta Medical Ireland Limited and a member of the SpinCo Group (in its capacity as an "Agent" thereunder), pursuant to which the member of the SpinCo Group will act as an agent on behalf of Parent (or its applicable subsidiary) to promote the sale of certain products of the Parent's global aesthetics medical device business as specified therein.

"**Agency Transfer Employee**" means, to the extent applicable, (i) any individual who is employed by an applicable "Agent" (as defined under the applicable Agency Agreement) in a "Local Solta Business" (as defined under the applicable Agency Agreement) pursuant to the terms of the applicable Agency Agreement, (ii) any New Agency Transfer Employee who is employed by an Agent in a Local Solta Business pursuant to the terms of the applicable Agency Agreement and (iii) any other individual who is employed by the applicable Agent with respect to whom the applicable member of the Parent Group and the applicable Agent mutually agree will transfer to the Parent Group in accordance with the terms of the applicable Agency Agreement.

"**Agreement**" means this Amended and Restated Employee Matters Agreement, including all of the schedules and exhibits hereto, as may be amended from time to time in accordance with its terms.

"**Basket Ratio**" has the meaning set forth in the Plan of Arrangement, subject to Section 8.06(l) of this Agreement.

"**Benefits Commencement Date**" means (a) in the case of U.S. SpinCo Participants, January 1, 2022, (b) in the case of Non-U.S. SpinCo Participants, the date such Non-U.S. SpinCo Participant commences employment or service with the SpinCo Group in accordance with the terms of this Agreement, and (c) in the case of Delayed Transfer Employees, if later, the applicable Delayed Transfer Date.

"**Benefits Transition Period**" means the period, if any, beginning on the Separation Date and ending on the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date).

"**COBRA**" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as codified in Section 4980B of the Code and Sections 601 through 608 of ERISA.

"**Collective Bargaining Agreements**" means any and all agreements, memorandums of understanding, contracts, letters, side letters and contractual obligations of any kind, nature and description, oral or written, that have been entered into between or that involve or apply to any employer and any labor organization, union, employee association, agency or employee committee or plan.

"**Company**" has the meaning set forth in the preamble hereto.

"**Company Concentration Ratio**" means the quotient obtained by dividing (i) the Parent Pre-Distribution Share Value by (ii) the Company Post-Distribution Share Value.

"**Company Post-Distribution Share Value**" means the fair market value of a Resulting Entity Common Share after the consummation of the Distribution, as determined by the Parent Board (or the Parent Compensation Committee), following good faith consultation with SpinCo, prior to the Distribution Date in a manner intended to preserve the aggregate intrinsic value of the applicable outstanding equity awards.

"**Covered Parent Service Provider**" means each Parent Employee who is or was employed by a member of the Parent Group (A) on the Separation Date, (B) at any time during the six (6) month period prior to Separation Date or (C) at any time during the applicable Restricted Period. For the avoidance of doubt, a SpinCo Employee shall not constitute a Covered Parent Service Provider.

"**Covered SpinCo Service Provider**" means each SpinCo Employee who is or was employed or engaged by a member of the Parent Group or the SpinCo Group (A) on the Separation Date, (B) at any time during the six (6) month period prior to Separation Date or (C) at any time during the applicable Restricted Period. For the avoidance of doubt, no Parent Employee or Agency Transfer Employee shall constitute a Covered SpinCo Service Provider.

"**Distribution Time**" means the effective time of the Distribution.

"**Delayed Transfer Date**" means, with respect to any applicable Delayed Transfer Employee, the applicable date he or she commences employment with a member of the SpinCo Group following the Separation Date.

"**Delayed Transfer Employee**" means any (i) Post-Separation Transfer Employee, (ii) Sponsored SpinCo Employee and (iii) Other Transfer Employee, in each case, who transfers employment to a member of the SpinCo Group following the Separation Time in accordance with the terms of this Agreement. For the avoidance of doubt, a New SpinCo Employee shall not constitute a Delayed Transfer Employee.

"**Dual Director**" means any non-employee director who, as of and immediately following the Distribution Date, serves on both the Parent Board and the SpinCo Board.

"**Employee Plan**" means any (a) "employee benefit plan" as defined in Section 3(3) of ERISA, (b) compensation, employment, consulting, severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy or (c) other plan, agreement, arrangement, program or policy providing for compensation, bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation or expatriate benefits, perquisites, disability or sick leave benefits, employee assistance program, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case whether or not written.

"**Employee Transfer Schedule**" means Exhibit A attached hereto.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

"**Former Parent Employee**" means (i) each individual (other than a SpinCo Employee) who, as of immediately prior to the Separation Time (or, solely for purposes of Article VIII hereof, immediately prior to the Distribution), is a former employee of any member of the Parent Group or the SpinCo Group (and excluding, for the avoidance of doubt, any Former SpinCo Employee) and (ii) each individual who is, as of immediately prior to the Separation Time (or, solely for purposes of Article VIII hereof, immediately prior to the Distribution) on long-term disability regardless of whether such individual was last actively employed primarily with respect to the SpinCo Assets or the SpinCo Business. For the avoidance of doubt, a Delayed Transfer Employee shall not constitute a Former Parent Employee.

"**Former SpinCo Employee**" means each individual who, as of immediately prior to the Separation Time (or, solely for purposes of Article VIII hereof, immediately prior to the Distribution), is a former employee who was last actively employed primarily with respect to the SpinCo Assets or the SpinCo Business by any member of the Parent Group or the SpinCo Group.

"**H&W Plan**" means any Employee Plan that is (a) an "employee welfare benefit plan" or "welfare plan" (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States.

"**HIPAA**" means the health insurance portability and accountability requirements for "group health plans" under the Health Insurance Portability and Accountability Act of 1996, as amended, together with the rules and regulations promulgated thereunder.

"**Intended Transfer Date**" means the date specified for each jurisdiction of employment set forth on the Employee Transfer Schedule on which the applicable SpinCo Employees who are employed by a member of the Parent Group in such jurisdiction are intended by the parties to be transferred to a member of the SpinCo Group (or such other date as may be mutually agreed between the parties).

"**Interim Period**" has the meaning set forth in the applicable Agency Agreement.

"**ITA**" means the Income Tax Act (Canada).

"**Legacy Retiree H&W Plan**" means the Bausch + Lomb Post-Retirement Benefits Plan.

"**Legacy SERP**" means the Bausch + Lomb Supplemental Retirement Income Plan I, as amended and restated.

"**Legacy U.S. Pension Plan"** means The Bausch & Lomb Retirement Benefit Plans (2020 Restatement).

"**Master Separation Agreement**" has the meaning set forth in the recitals hereto.

"**New Agency Transfer Employee**" has the meaning set forth in Section 3.01(c).

"**New Hire Grant**" means any "initial" or "sign-on" Parent Award granted to any Parent Employee or SpinCo Employee (other than any Former Parent Employee (including, for the avoidance of doubt, any Former SpinCo Employee)) granted by Parent on or following September 1, 2021 in connection with such applicable Parent Employee's or SpinCo Employee's external new hire into an executive role with Parent or SpinCo, as applicable.

"**New SpinCo Employee**" means any individual who is externally hired by a member of the SpinCo Group following the Separation Time.

"**Non-U.S. Parent Employee**" means any Parent Employee who is employed (or, in the case of former employees, was last actively employed) outside of the United States.

"**Non-U.S. Parent Participant**" means any Parent Participant who is employed or engaged (or, in the case of former employees, individual independent contractors or consultants, was last actively employed or engaged, as applicable) outside of the United States.

"**Non-U.S. SpinCo Employee**" means any SpinCo Employee who is not a U.S. SpinCo Employee.

"**Non-U.S. SpinCo Participant**" means any SpinCo Participant who is not a U.S. SpinCo Participant.

"**Other Transfer Employee**" means any individual who, upon mutual agreement of Parent and the Company, transfers employment from the Parent Group to the SpinCo Group following the Separation Time. For the

avoidance of doubt, each of a Sponsored SpinCo Employee and a Post-Separation Transfer Employee is not an Other Transfer Employee.

"**Parent**" has the meaning set forth in the preamble hereto.

"**Parent 401(k) Plan**" means any Parent Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code and related trust intended to be exempt under Section 501(a) of the Code.

"**Parent Awards**" means, collectively, the Parent Options, the Parent PRSUs, the Parent RSUs and the Parent Deferred RSUs.

"**Parent Bonus Plan**" has the meaning set forth in Section 7.01 hereto.

"Parent Compensation Committee" means the Talent and Compensation Committee of the Parent Board.

"**Parent Concentration Ratio**" means the quotient obtained by dividing (i) the Parent Pre-Distribution Share Value by (ii) the Parent Post-Distribution Share Value.

"**Parent Deferred Compensation Plan**" means the Biovail Americas Corp. Executive Deferred Compensation Plan, as amended and restated effective January 1, 2009.

"**Parent Deferred RSU**" means each award of deferred restricted share units with respect to Parent Common Shares granted under the Parent Equity Plan.

"**Parent Director**" means any non-employee director serving on the Parent Board as of and immediately following the Distribution Date, *provided* that such non-employee director does not also serve on the SpinCo Board as of and immediately following the Distribution Date.

"**Parent Employee**" means each individual who, as of the Separation Time, is (a) not a SpinCo Employee and (b) either (i) actively employed by any member of the Parent Group or the SpinCo Group, (ii) an inactive employee (including any employee on short- or long-term disability leave or other authorized leave of absence) of any member of the Parent Group or the SpinCo Group or (iii) a Former Parent Employee.

"**Parent Equity Plan**" means the Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (as amended and restated from time to time) (and any predecessor plan thereto).

"**Parent ESPP**" means the Bausch Health Companies Inc. 2013 Stock Purchase Plan.

"**Parent FSA**" means any Parent Plan that is a flexible spending account for health and dependent care expenses.

"**Parent H&W Plan**" means any Parent Plan that is an H&W Plan. For the avoidance of doubt, (i) Parent FSAs are Parent H&W Plans and (ii) no SpinCo H&W Plan is a Parent H&W Plan.

"**Parent Matching Share Program**" means the Bausch Health Companies Matching Share Program.

"**Parent MRSU**" means each award of matching share restricted stock units with respect to Parent Common Shares granted under the Parent Equity Plan in connection with the purchase of Parent Common Shares under either the Parent ESPP or the Parent Matching Share Program.

"Parent New CEO Grant" means each of the awards of Parent PRSUs and Parent RSUs granted on September 1, 2021 to the Parent Employee who is intended to become the CEO of Parent effective as of the Separation Date.

"**Parent Option**" means each outstanding option to acquire Parent Common Shares granted under the Parent Equity Plan.

"**Parent Participant**" means any individual who is a Parent Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

"**Parent Plan**" means any Employee Plan (other than a SpinCo Plan) sponsored, maintained, administered, contributed to or entered into by any member of the Parent Group. For the avoidance of doubt, no SpinCo Plan is a Parent Plan.

"**Parent Post-Distribution Share Value**" means the fair market value of a Parent Common Share after the consummation of the Distribution, as determined by the Parent Board (or the Parent Compensation Committee), following good faith consultation with SpinCo, prior to the Distribution Date in a manner intended to preserve the aggregate intrinsic value of the applicable outstanding equity awards.

"**Parent Pre-Distribution Share Value**" means the fair market value of a Parent Common Share prior to the consummation of the Distribution, as determined by the Parent Board (or the Parent Compensation Committee), following good faith consultation with SpinCo, prior to the Distribution Date in a manner intended to preserve the aggregate intrinsic value of the applicable outstanding equity awards.

"**Parent PRSU**" means each award of restricted share units with respect to Parent Common Shares granted under the Parent Equity Plan subject to performance-based vesting conditions.

"**Parent Retained Employee Liabilities**" has the meaning set forth in Section 2.01(a) hereto.

"**Parent RSU**" means each award of restricted share units with respect to Parent Common Shares granted under the Parent Equity Plan (other than Parent PRSUs and Parent Deferred RSUs), including, for the avoidance of doubt, any Parent MRSUs.

"**Parent Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, pursuant to any Employee Plan covering or with any SpinCo Employee or Parent Employee and to which any member of the SpinCo Group or Parent Group is a party (other than SpinCo Specified Rights).

"**Personnel Records**" has the meaning set forth in Section 9.01 hereto.

"**Post-Separation Transfer Employee**" means, if any, any SpinCo Employee who, as of immediately following the Separation Date, is employed by a member of the Parent Group. For the avoidance of doubt, (i) a Post-Separation Transfer Employee is any SpinCo Employee employed by a member of the Parent Group (A) whose employment is not transferred to a member of the SpinCo Group on or prior to the Separation Date and (B) whose employment is intended to transfer from the Parent Group to a member of the SpinCo Group following the Separation Date on his or her applicable Intended Transfer Date in accordance with Section 3.01(b), and (ii) a Sponsored SpinCo Employee and an Other Transfer Employee are not a Post-Separation Transfer Employee.

"**Restricted Period**" means, (A) with respect to a Covered Parent Service Provider or Covered SpinCo Service Provider that holds the title of Vice President or higher (including Executive Vice President and Senior Vice President), the period (i) commencing on the Separation Time and (ii) ending on the 24-month anniversary of the Distribution Date, and (B) with respect to all other Covered Parent Service Providers and Covered SpinCo Service Providers, the period (i) commencing on the Separation Time and (ii) ending on the 12-month anniversary of the Distribution Date.

"**SpinCo 401(k) Plan**" means any SpinCo Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code.

"**SpinCo Assumed Employee Liabilities**" has the meaning set forth in Section 2.01(b) hereto.

"**SpinCo Awards**" means the SpinCo Options, the SpinCo RSUs and the SpinCo PRSUs, in each case that are issued pursuant to Article VIII (which, for the avoidance of doubt, shall constitute "Converted Awards" under the terms of the SpinCo Equity Plan).

"**SpinCo Bonus Plan**" has the meaning set forth in Section 7.01 hereto.

"**SpinCo Canada DC Plan**" means any SpinCo Plan that is a defined contribution plan maintained for SpinCo Participants employed in Canada.

"**SpinCo CBA**" means any Collective Bargaining Agreement listed on Exhibit B hereto to the extent covering SpinCo Employees.

"**SpinCo Change in Control**" has the meaning set forth in Section 8.06(b) hereto.

"**SpinCo Director**" means any non-employee director serving on the SpinCo Board as of and immediately following the Distribution Date, *provided* that such non-employee director does not also serve on the Parent Board as of and immediately following the Distribution Date. For the avoidance of doubt, any non-employee director who serves on both the Parent Board and the SpinCo Board as of the Separation Time, but ceases to serve on the Parent Board as of the Distribution Date shall constitute a SpinCo Director for purposes of this Agreement.

"**SpinCo Employee**" means each individual who, (a) as of the Separation Time, is (i) actively employed primarily with respect to the SpinCo Assets or the SpinCo Business by any member of the Parent Group or the SpinCo Group (which, for the avoidance of doubt, includes any Post-Separation Transfer Employees), (ii) an inactive employee (including any employee on short-term disability leave, parental, military or other authorized leave of absence) primarily employed with respect to the SpinCo Assets or SpinCo Business by any member of the Parent Group or the SpinCo Group, (iii) a Former SpinCo Employee, (b) as of his or her date of commencement of employment with the applicable member of the SpinCo Group, is a New SpinCo Employee or (c) as of the applicable Delayed Transfer Date, an Other Transfer Employee who becomes a Delayed Transfer Employee. For the avoidance of doubt, an Other Transfer Employee shall not constitute a SpinCo Employee for purposes of this Agreement unless and until his or her applicable Delayed Transfer Date, if any, and (B) an Agency Transfer Employee shall not constitute a SpinCo Employee for purposes of this Agreement.

"**SpinCo Equity Plan**" has the meaning set forth in Section 8.04 hereto.

"**SpinCo FSAs**" has the meaning set forth in Section 6.04 hereto.

"**SpinCo H&W Plan**" means any SpinCo Plan that is an H&W Plan. For the avoidance of doubt, SpinCo FSAs are SpinCo H&W Plans.

"**SpinCo Option**" has the meaning set forth in Section 8.03(a) hereto .

"**SpinCo Participant**" means any individual who is a SpinCo Employee, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

"**SpinCo Plan**" means any Employee Plan that (a) is or was sponsored, maintained, administered, contributed to or entered into by any member of the SpinCo Group, whether before, as of or after the Separation Date or (b) for which Liabilities transfer to any member of the SpinCo Group under this Agreement or pursuant to applicable Law as a result of the Distribution. For the avoidance of doubt, SpinCo Plans shall include the Legacy U.S. Pension Plan, the Legacy Retiree H&W Plan and the Legacy SERP.

"**SpinCo PRSU**" has the meaning set forth in Section 8.02(a) hereto.

"**SpinCo RSU**" has the meaning set forth in Section 8.02(a) hereto.

"**SpinCo Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, applicable or related, in whole or in part, to the SpinCo Assets or the SpinCo Business pursuant to any Employee Plan covering or with any SpinCo Employee and to which any member of the SpinCo Group or Parent Group is a party; *provided* that, with respect to any Intellectual Property existing, conceived, created, developed or reduced to practice prior to the Separation Time, the foregoing rights to enjoy, benefit from or enforce any restrictive covenants related to Intellectual Property is limited to those restrictive covenants related to Intellectual Property included in the SpinCo Assets.

"**Sponsored SpinCo Employee**" means any SpinCo Employee working on a visa or work permit sponsored by a member of the Parent Group as of immediately prior to the Separation Time.

"**U.S. Parent Participant**" means any Parent Participant employed or engaged (or, in the case of former employees, individual independent contractors or consultants, last actively employed or engaged, as applicable) in the United States.

"**U.S. SpinCo Employee**" means any SpinCo Employee who is employed (or, in the case of former employees, was last actively employed) in the United States.

"**U.S. SpinCo Participant**" means any SpinCo Participant who is employed or engaged (or, in the case of former employees, individual independent contractors or consultants, was last actively employed or engaged, as applicable) in the United States.

ARTICLE II
GENERAL ALLOCATION OF LIABILITIES; INDEMNIFICATION

Section 2.01. *Allocation of Employee-Related Liabilities*.

(a) Subject to the terms and conditions of this Agreement, effective as of the Separation Time, Parent shall, or shall cause the applicable member of the Parent Group to, assume and retain, and no member of the SpinCo Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any Parent Participant or any Parent Plan, in each case, other than any SpinCo Assumed Employee Liabilities, in each case (x) whether arising before, on or after the Separation Date, (y) whether based on facts occurring before, on or after the Separation Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract, or (ii) expressly assumed or retained, as applicable, by any member of the Parent Group pursuant to this Agreement (collectively, "**Parent Retained Employee Liabilities**"). For the avoidance of doubt, all Parent Retained Employee Liabilities are Parent Liabilities for purposes of the Master Separation Agreement.

(b) Subject to the terms and conditions of this Agreement, effective as of the Separation Time, the Company shall, or shall cause the applicable member of the SpinCo Group to, assume, and no member of the Parent Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any SpinCo Participant (including, for the avoidance of doubt, any Former SpinCo Employee) or any SpinCo Plan, in each case (x) whether arising before, on or after the Separation Date, (y) whether based on facts occurring before, on or after the Separation Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract or (ii) expressly assumed or retained, as applicable, by any member of the SpinCo Group pursuant to this Agreement (collectively, "**SpinCo Assumed Employee Liabilities**"), including without limitation, in the case of clause (i) above:

(ii) employment, separation or retirement agreements or arrangements to the extent applicable to any SpinCo Participant;

(iii) wages, salaries, incentive compensation, commissions, bonuses and other compensation payable to any SpinCo Participants, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses and other compensation are or may have been earned;

(iv) severance or similar termination-related pay or benefits applicable to any SpinCo Participant;

(v) claims made by or with respect to any SpinCo Participant in connection with any employee benefit plan, program or policy, without regard to when such claim is in respect of;

(vi) workers' compensation and unemployment compensation benefits for all SpinCo Participants;

(vii) transaction bonus, retention and stay bonuses payable to any SpinCo Participants;

(viii) the SpinCo CBAs;

(ix) any applicable Law (including ERISA and the Code) to the extent related to participation by any SpinCo Participant in any Employee Plan;

(x) any Actions, allegations, demands, assessments, settlements or judgments relating to or involving any SpinCo Participant (including, without limitation, those relating to labor and employment, wages, hours, overtime, employee classification, hostile workplace, civil rights, discrimination, harassment, affirmative action, work authorization, immigration, safety and health, information privacy and security, workers' compensation, continuation coverage under group health plans, wage payment, hiring practice and the payment and withholding of Taxes);

(xi) any costs or expenses incurred in designing, establishing and administering any SpinCo Plans or payroll or benefits administration for SpinCo Participants; and

(xii) the employer portion of any employment, payroll or similar Taxes relating to any of the foregoing or any SpinCo Participant.

For the avoidance of doubt, all SpinCo Assumed Employee Liabilities are SpinCo Liabilities for purposes of the Master Separation Agreement.

Section 2.02. *Indemnification*. For the avoidance of doubt, the provisions of Article V of the Master Separation Agreement shall apply to and govern the indemnification rights and obligations of the parties with respect to the matters addressed by this Agreement.

Section 2.03. *Agency Transfer Employee Liabilities*. Notwithstanding anything to the contrary herein, any Liabilities relating to the employment, or termination of employment, including in respect of any compensation or benefits, of any Agency Transfer Employees shall be subject to the terms of the applicable Agency Agreement.

Section 2.04. *No Duplicate Reimbursements*. For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement or any other Ancillary Agreement, neither Parent nor the Company shall be required to reimburse the other party for any amounts under this Agreement if and to the extent that such party (or an applicable member of its Group) has otherwise previously reimbursed the other party (or an applicable member of its Group) for such amounts pursuant to any other Ancillary Agreement (including, for the avoidance of doubt, the Transition Services Agreement), as applicable.

ARTICLE III
EMPLOYEES; EMPLOYMENT AND COLLECTIVE BARGAINING AGREEMENTS

Section 3.01. *Transfers of Employment.*

(a) Prior to the Separation Time, Parent and the Company shall have taken all necessary or appropriate actions to (i) cause the employment of each SpinCo Employee (other than any Delayed Transfer Employee or Former SpinCo Employee), who is employed by a member of the Parent Group as of immediately prior to the Separation Time to be transferred to a member of the SpinCo Group, effective as of or prior to the Separation Time and (ii) cause the employment of each SpinCo Employee (other than any Delayed Transfer Employee or Former SpinCo Employee), to the extent employed by a member of the SpinCo Group as of immediately prior to the Separation Time, to be continued with a member of the SpinCo Group, effective as of the Separation Time.

(b) Following the Separation Time, (i) Parent shall, and shall cause the members of the Parent Group to, make available the services of the Post-Separation Transfer Employees, to the extent employed by a member of the Parent Group at such time, to the SpinCo Group and the SpinCo Business prior to the applicable Delayed Transfer Date, and (ii) Parent and the Company shall cooperate in good faith and use reasonable best efforts to cause the transfer and assignment of the employment of each Delayed Transfer Employee (whose employment, for the avoidance of doubt, was not transferred to a member of the SpinCo Group on or prior to the Separation Time in accordance with Section 3.01(a)) from a member of the Parent Group to an applicable member of the SpinCo Group, in each case in accordance with the terms of this Agreement, applicable Law (including any applicable automatic transfer regulations) and the terms of any applicable employment or service agreement. The transfer of such Delayed Transfer Employees shall be made by assigning such individual's employment to a member of the SpinCo Group or, to extent required by applicable Law or otherwise determined by the parties to be necessary or appropriate, by having a member of the SpinCo Group make an offer of employment to such Delayed Transfer Employee, or by operation of any applicable automatic transfer regulations, in each case which such assignment or transfer shall be on terms and conditions of employment consistent with this Agreement and the terms and conditions of employment applicable to such Delayed Transfer Employee as of immediately prior to the applicable Delayed Transfer Date (and such other terms and conditions as may be required by applicable Law, including any applicable automatic transfer regulations). To the extent any such transfers of employment of any Delayed Transfer Employees will occur following the Distribution Date, the parties agree to mutually cooperate in good faith to cause the transfer of the employment of such individuals to the SpinCo Group as soon as possible following the Distribution Date.

(c) To the extent applicable, during the applicable Interim Period, the Company shall, and shall cause the members of the SpinCo Group (including the applicable Agents) to, cooperate with the Parent Group in good faith and use commercially reasonable efforts to facilitate (i) the hiring of employees into the applicable Local Solta Business by the Agent under the applicable Agency Agreement or (ii) the termination of any applicable Agency Transfer Employees, in each case as soon as reasonably practicable after such Agent receives a reasonable written request from the applicable member of the Parent Group, subject to (A) such procedures as mutually determined between the applicable members of the Parent Group and the SpinCo Group and (B) applicable Law. Any new employees hired by an Agent into a Local Solta Business pursuant to this Section 3.01(c) shall, as of the date he or she commences employment with the applicable Agent, be referred to as "**New Agency Transfer Employees**" and shall constitute Agency Transfer Employees for purposes of this Agreement. Any and all costs relating to the hiring of the New Agency Transfer Employees that are incurred by the Parent Group or the SpinCo Group, as applicable, shall constitute Parent Retained Employee Liabilities, and shall be reimbursed by Parent, as applicable, to the applicable member of the SpinCo Group, as applicable. Following the Separation Time, any Parent Employees employed by a member of the SpinCo Group as contemplated by any applicable Agency Agreement (or who otherwise constitute an Agency Transfer Employee) shall be transferred to an applicable member of the Parent Group in accordance with the terms of the applicable Agency Agreement.

(d) Notwithstanding anything to the contrary herein, unless otherwise expressly provided by this Agreement, (i) the Company shall be responsible for, and shall reimburse Parent for, the cost of any compensation or benefits under any Employee Plan and other employment-related costs relating to any Post-Separation Transfer Employees and Sponsored SpinCo Employees, in each case that are incurred by any member of the Parent Group

and that relate to the period following the Separation Time and prior to the applicable Delayed Transfer Date (including, to the extent applicable, in accordance with the terms of the Transition Services Agreement), (ii) unless and until an applicable Delayed Transfer Date occurs with respect to any Other Transfer Employee, the Parent Group shall be responsible for the cost of any compensation or benefits under any Employee Plan and other employment-related costs relating to any applicable Other Transfer Employees and that relate to the period prior to the Delayed Transfer Date and (iii) the party responsible for the cost of any compensation or benefits under any Employee Plan and other employment-related costs relating to any Agency Transfer Employees will be determined in accordance with, and subject to the terms of, the applicable Agency Agreement.

(e) Each of the parties hereto agrees to execute, and to use their reasonable best efforts to have the applicable employees execute, any such documentation or consents as may be necessary or desirable to reflect or effectuate any such assignments or transfers contemplated by this Section 3.01. Parent and SpinCo shall cooperate in good faith with respect to any applicable information and consultation requirements under any applicable automatic transfer regulations to the extent that they apply to the transactions contemplated by this Agreement, including the transfers of SpinCo Employees contemplated by this Section 3.01.

(f) Effective as of the Separation Time, (i) the Company shall adopt or maintain, and shall cause each member of the SpinCo Group to adopt or maintain, leave of absence programs and (ii) the Company shall honor, and shall cause each member of the SpinCo Group to honor, all terms and conditions of authorized leaves of absence which have been granted to any SpinCo Participant before the Separation Time, including such leaves that are to commence on or after the Separation Time.

(g) In the event that the parties reasonably determine following the Separation Time that (i) any individual employed outside of the United States who is not a SpinCo Employee has inadvertently become employed by a member of the SpinCo Group (due to the operation of transfer of undertakings or similar applicable Law), the parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the Parent Group, and Parent shall reimburse the applicable members of the SpinCo Group for all compensation, benefits, severance and other employment-related costs incurred by the SpinCo Group members in employing and transferring such individuals or (ii) any individual employed outside the United States who was intended to transfer to, and become employed by, a member of the SpinCo Group pursuant to the operation of transfer of undertakings or similar applicable Law instead continues to be employed by the Parent Group, the parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the SpinCo Group, and the Company shall reimburse the applicable members of the Parent Group for all compensation, benefits, severance and other employment-related costs incurred by Parent Group members in employing and transferring such individuals.

Section 3.02. *Employee Agreements.*

(a) Except as agreed between Parent and the Company, with respect to any employment, retention, severance, restrictive covenant or similar agreements with any SpinCo Employees to which a member of the SpinCo Group is not a party, or which do not otherwise transfer to a SpinCo Group member by operation of applicable Law (including pursuant to any applicable automatic transfer regulations), the parties shall use reasonable best efforts to assign, effective as of the Separation Time or, if applicable, such other date as such SpinCo Employee transfers employment to a member of the SpinCo Group in accordance with Section 3.01 (including, any applicable Delayed Transfer Date), the applicable agreement, as applicable, to a member of the SpinCo Group, and the Company shall, or shall cause a member of the SpinCo Group to assume responsibility for, and perform and honor, such agreement in accordance with its terms, in each case as if originally entered into by such applicable member of the SpinCo Group, and the Parent Group shall cease to have any Liabilities or responsibilities with respect thereto.

(b) Except as agreed between Parent and the Company, with respect to any employment, retention, severance, restrictive covenant or similar agreements with Parent Employees to which a member of the Parent Group is not a party, or which do not otherwise transfer to a Parent Group member by operation of applicable Law, the parties shall use reasonable best efforts to assign, effective on or before the Separation Time (or, in the case of

any Agency Transfer Employees, such date as such Agency Transfer Employee transfers employment to a member of the Parent Group in accordance with the applicable Agency Agreement), the applicable agreement to a member of the Parent Group, and Parent shall, or shall cause a member of the Parent Group to assume responsibility for, and perform and honor, such agreement in accordance with its terms, in each case as if originally entered into by such applicable member of the Parent Group, and the SpinCo Group shall cease to have any Liabilities or responsibilities with respect thereto.

Section 3.03. *Collective Bargaining Agreements; Labor Relations*.

(a) From and after the Separation Time, the Company hereby agrees to comply with and honor the SpinCo CBAs and become, and fulfill its obligations as, a successor employer to the applicable Parent Group member for all purposes under the SpinCo CBAs with respect to any SpinCo Employee, and the Company assumes responsibility for, and Parent or the relevant member of the Parent Group hereby ceases to be responsible for or to otherwise have any Liability in respect of, the SpinCo CBAs to the extent they pertain to any SpinCo Employee.

(b) To the extent required by applicable Law, any SpinCo CBA, Parent CBA or any other Collective Bargaining Agreement, the parties shall cooperate and consult in good faith to provide notice, engage in consultation, and take any similar action which may be required on its part in connection with the Separation or the Distribution.

Section 3.04. *Assignment of Specified Rights*. To the extent permitted by applicable Law and the applicable agreement, if any, effective as of the Separation Time, (i) Parent hereby assigns, to the maximum extent possible, on behalf of itself and the Parent Group, the SpinCo Specified Rights, to the Company (and the Company shall be a third party beneficiary with respect thereto) and (ii) the Company hereby assigns, to the maximum extent possible, on behalf of itself and the SpinCo Group, the Parent Specified Rights, to Parent (and Parent shall be a third party beneficiary with respect thereto).

Section 3.05. *Sponsored SpinCo Employees*. Each of the Company and Parent shall, and shall cause the members of the SpinCo Group and the Parent Group, respectively, to, cooperate in good faith with each other and the applicable Governmental Authorities with respect to the process of obtaining work authorization for each Sponsored SpinCo Employee to work with a member of the SpinCo Group, including but not limited to, petitioning the applicable Governmental Authorities for the transfer of each Sponsored SpinCo Employee's (as well as any spouse or dependent thereof, as applicable) visa or work permit, or the grant of a new visa or work permit, to any SpinCo Group member. Any costs or expenses incurred with the foregoing shall constitute SpinCo Assumed Employee Liabilities. In the event that it is not legally permissible for a Sponsored SpinCo Employee to continue work with the SpinCo Group from and after the Separation Date, the Parties shall reasonably cooperate to provide for the services of such Sponsored SpinCo Employee to be made available exclusively to the SpinCo Group under an employee secondment or similar arrangement, which such costs incurred by the Parent Group (including those relating to compensation and benefits in respect of such Sponsored SpinCo Employee) shall constitute SpinCo Assumed Employee Liabilities.

Section 3.06. *Transfer-Related Termination Liabilities.*

(a) Except as expressly contemplated by this Agreement, neither the Separation or the Distribution, nor any assignment, transfer or continuation of the employment of any employees as contemplated by this Article III (or any other Ancillary Agreement) shall be deemed a termination of employment or service of any Parent Participant or SpinCo Participant for purposes of this Agreement, any Parent Plan, any SpinCo Plan or any employment, severance, retention, change in control, consulting or similar agreements, plans, policies or arrangements. Each of the Parties shall cooperate in good faith and use reasonable best efforts to avoid and mitigate, to the maximum extent possible, the incurrence of any severance or other termination-related obligations (including, without limitation, by the provision of all appropriate notices, assurances and offers of employment and the assignment and assumption of obligations or undertakings with respect to employment, compensation, benefits, protections or other obligations) in connection with the Separation, the Distribution and any assignment or transfer of employment contemplated by this Agreement or any other Ancillary Agreement.

(b) Without limiting the generality of Section 3.06(a), in the event that any severance or other termination-related payments become payable as a result of the transfer of the employment of a SpinCo Employee contemplated by this Article III the SpinCo Group shall be solely responsible for all such severance and termination-related payments, and such amounts shall constitute SpinCo Assumed Employee Liabilities.

ARTICLE IV
PLANS

Section 4.01. *General; Plan Participation.*

(a) Except as otherwise expressly provided in this Agreement, and subject to the terms of the Transition Services Agreement, effective as of immediately prior to the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date), (i)(A) all SpinCo Participants shall cease any active participation in, and benefit accrual under, Parent Plans and (B) all members of the SpinCo Group shall cease to be participating employers under the Parent Plans and shall have no further obligations with respect to any Parent Pans, (ii) to the extent applicable, (A) all Parent Participants shall cease any participation in, and benefit accrual under, SpinCo Plans and (B) all members of the Parent Group shall cease to be participating employers under the SpinCo Plans and shall have no further obligations with respect to any Parent Plans.

(b) Prior to the Separation Date (or, to the extent applicable, the applicable Benefits Commencement Date or the 401(k) Plan Commencement Date, as applicable), each of Parent and the Company shall take all actions necessary to effectuate the actions contemplated by this Section 4.01 and to cause (i) the applicable SpinCo Group member to assume or retain all Liabilities with respect to each SpinCo Plan and the applicable Parent Group member to assume or retain all Liabilities with respect to each Parent Plan, in each case, effective as of no later than the Separation Time and (ii) all Assets of any SpinCo Plan to be transferred to or retained by the applicable SpinCo Group member in the applicable jurisdiction and all Assets of any Parent Plan to be transferred to or retained by the applicable Parent Group member in the applicable jurisdiction, effective as of no later than the Separation Time (or such other applicable date provided by this Article IV).

(c) Notwithstanding anything to the contrary herein, except as expressly provided in this Agreement, each SpinCo Participant shall continue to be eligible to participate in the Parent Plans during the applicable Benefits Transition Period, subject to the terms of such Parent Plans and applicable Law and, if applicable, the Transition Services Agreement. Except as set forth in Article V or Article VI, SpinCo shall be required to reimburse Parent for the cost of the SpinCo Participants' participation in the Parent Plans during the period beginning on the Separation Date and ending on the applicable Benefits Commencement Date (or, in the case of the Parent 401(k) Plan, the 401(k) Plan Commencement Date), subject to, and in accordance with, the applicable terms of the Transition Services Agreement, to the extent applicable.

(d) Notwithstanding anything to the contrary in this Agreement, with respect to any Parent Employees who are employed by a member of the SpinCo Group pursuant to the terms of any applicable Agency Agreement (or who otherwise constitute an Agency Transfer Employee), such individuals shall, to the extent applicable, continue to be eligible to participate in the applicable SpinCo Plans until the date such individual transfers employment to a member of the Parent Group in accordance with the terms of the applicable Agency Agreement (or, if earlier, the date of his or her termination of employment), subject to the terms and conditions of such applicable SpinCo Plans; *provided* that the allocation of the costs of such continued participation shall be determined in accordance with the applicable Agency Agreement.

Section 4.02. *Adoption and Administration of SpinCo Plans.*

(a) To the extent necessary to comply with its obligations under this Agreement, the Company or a member of the SpinCo Group shall adopt, or cause to be adopted, at the Company's expense, SpinCo Plans to be effective from and after the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date). Any and all costs and expenses incurred by the Parent Group before the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan

Commencement Date) to design or establish any SpinCo Plan will be retained by Parent and will constitute Parent Retained Employee Liabilities. The Company expressly agrees to reimburse Parent for any and all costs and expenses incurred by the Parent Group before the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date) to administer any SpinCo Plan.

(b) For the avoidance of doubt, from and after the applicable Benefits Commencement Date, the applicable member of the SpinCo Group shall be responsible for the administration of the applicable SpinCo Plan, and no member of the Parent Group shall have any Liability or obligation (including any administration obligation) with respect to any SpinCo Plans.

Section 4.03. *Service Credit*. From and after the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date), for purposes of determining eligibility to participate, vesting and benefit accrual under any SpinCo Plan in which a SpinCo Participant is eligible to participate on and following the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date), such SpinCo Participant's service with any member of the Parent Group or the SpinCo Group, as the case may be, prior to the applicable Benefits Commencement Date (or, in the case of the SpinCo 401(k) Plan, the 401(k) Plan Commencement Date) shall be treated as service with the SpinCo Group, to the extent recognized by the Parent Group or the SpinCo Group, as applicable, under an analogous Parent Plan or SpinCo Plan, as applicable, prior to the applicable Benefits Commencement Date; *provided*, *however*, that such service shall not be recognized to the extent that such recognition would result in any duplication of benefits. Notwithstanding anything to the contrary herein, unless otherwise required by applicable Law, the SpinCo Plans covering New SpinCo Employees (which, for the avoidance of doubt, does not include any Delayed Transfer Employees) will not be required to recognize such New SpinCo Employee's prior service with the Parent Group (if any).

ARTICLE V
RETIREMENT PLANS

Section 5.01. *401(k) Plan.*

(a) On or before the applicable 401(k) Plan Commencement Date, SpinCo or another member of the SpinCo Group will adopt the SpinCo 401(k) Plan. From and after the applicable 401(k) Plan Commencement Date, the applicable member of the SpinCo Group shall be responsible for the administration of the SpinCo 401(k) Plan, and no member of the Parent Group shall have any Liability or obligation (including any administration obligation) with respect to the SpinCo 401(k) Plan. A member of the SpinCo Group will be solely responsible for taking all necessary, reasonable, and appropriate actions (including the submission of the SpinCo 401(k) Plan to the U.S. Internal Revenue Service for a determination of tax-qualified status) to establish, maintain and administer the SpinCo 401(k) Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code.

(b) During the period, if any, between the Separation Time and the 401(k) Plan Commencement Date, each SpinCo Participant shall continue to remain eligible to participate in the Parent 401(k) Plan, subject to the terms of such plan. Effective as of the 401(k) Plan Commencement Date, each SpinCo Participant, other than a Former SpinCo Employee, who actively participates in the Parent 401(k) Plan as of immediately prior to such date (i) will cease active participation in the Parent 401(k) Plan and (ii) will become eligible to participate in the SpinCo 401(k) Plan. For the avoidance of doubt, (A) all employee pre-tax deferrals and employer contributions with respect to such active SpinCo Participants will be made to the SpinCo 401(k) Plan on and following such date and (B) any Former SpinCo Employees under the Parent 401(k) Plan as of immediately prior to such date will not become eligible to participate in the SpinCo 401(k) Plan in accordance with this Section 5.01(b) (and, for the avoidance of doubt, will continue participation under the Parent 401(k) Plan, subject to the terms of the Parent 401(k) Plan) unless and to the extent they become a Delayed Transfer Employee.

(c) On or as soon as reasonably practicable following the 401(k) Plan Commencement Date (but not later than 180 days thereafter), the account balances (whether vested or unvested) and any related participant loans

of each SpinCo Participant, other than a Former SpinCo Employee or Delayed Transfer Employee whose Delayed Transfer Date is following the 401(k) Plan Commencement Date, that is an active participant in the Parent 401(k) Plan as of immediately prior to the applicable Benefits Commencement Date will be transferred from the Parent 401(k) Plan to the SpinCo 401(k) Plan via a trust-to-trust transfer. The transfer of assets will be in cash or in kind (as determined by Parent) and will be made in accordance with applicable Law, including the Code and ERISA. For the avoidance of doubt, the account balances of any SpinCo Participants who are inactive or former participants under the Parent 401(k) Plan (including any Former SpinCo Employees) will not be transferred to the SpinCo 401(k) Plan pursuant to this Section 5.01(c) and will instead remain under the Parent 401(k) Plan (and such inactive or former participants will not become eligible to participate in the SpinCo 401(k) Plan in accordance with Section 5.01(b). Effective as of and following the time in which the applicable trust-to-trust transfer is complete, SpinCo and/or the SpinCo 401(k) Plan shall assume all Liabilities of Parent under the Parent 401(k) Plan with respect to all applicable participants in the Parent 401(k) Plan whose account balances (whether vested or unvested) were transferred to the SpinCo 401(k) Plan pursuant to this Section 5.01(c), and Parent and the Parent 401(k) Plan shall have no Liabilities to provide such participants with benefits under the Parent 401(k) Plan following such transfer. Following the time in which the trust-to-trust transfer is complete, SpinCo and/or the SpinCo 401(k) Plan shall assume all Liabilities of Parent under the Parent Plan with respect to all participants in the Parent 401(k) Plan whose balances and loans were transferred to the SpinCo 401(k) Plan pursuant to this Section 5.01(c) and Parent and the Parent 401(k) Plan shall have no Liabilities to provide such participants with benefits under the Parent 401(k) Plan following such transfer.

(d) The account balances of any Delayed Transferred Employees whose Delayed Transfer Date occurs following the 401(k) Plan Commencement Date will not be transferred from the Parent 401(k) Plan to the SpinCo 401(k) Plan via a trust-to-trust transfer in accordance with Section 5.01(c). Instead, on or as soon as reasonably practicable following the applicable Delayed Transfer Date, such Delayed Transfer Employee will be eligible to elect a distribution of his or her account balance under the Parent 401(k) Plan, including a voluntary “rollover distribution” of such Delayed Transfer Employee's eligible account balance under the Parent 401(k) Plan to either the SpinCo 401(k) Plan or an Individual Retirement Account (or, for the avoidance of doubt, such Delayed Transfer Employee may otherwise continue to maintain his or her account under the Parent 401(k) Plan in accordance with the terms of the Parent 401(k) Plan), as determined by each such Delayed Transfer Employee; *provided* that any portion of such Delayed Transfer Employee's account balance under the Parent 401(k) Plan (including participant loans) to be “rolled over” to the SpinCo 401(k) Plan shall be done in the form of cash (i.e., no in-kind transfers will be permitted) except, for the avoidance of doubt, with respect to promissory notes evidencing participant loans. In the event that a Delayed Transfer Employee elects to roll over his or her account balance from the Parent 401(k) Plan to the SpinCo 401(k) Plan, (i) Parent and SpinCo shall cooperate in good faith to take any and all commercially reasonable efforts needed to permit each applicable Delayed Transfer Employee with an outstanding loan balance under the Parent 401(k) Plan as of the applicable Delayed Transfer Date to continue to make scheduled loan payments to the Parent 401(k) Plan after such date, pending the distribution and rollover of the promissory notes evidencing such participant loans from the Parent 401(k) Plan to the SpinCo 401(k) Plan, as provided in this Section 5.01(d), so as to prevent, to the extent reasonably possible, a deemed distribution or loan offset with respect to such outstanding participant loans and (ii) SpinCo agrees to cause the SpinCo 401(k) Plan to accept such rollover (including participant loans), to the extent permitted by Applicable Law.

(e) For the avoidance of doubt, all Liabilities under the Parent 401(k) Plan relating to Parent Participants and Former SpinCo Employees, including with respect to participant loans, will be retained by Parent and the Parent 401(k) Plan and will constitute Parent Retained Employee Liabilities.

(f) Effective as of the applicable 401(k) Plan Commencement Date, with respect to U.S. SpinCo Participants who become eligible to participate in the SpinCo 401(k) Plan as of the applicable Benefits Commencement Date in accordance with Section 5.01(b), the parties will cooperate in good faith and will use commercially reasonable efforts to cause the SpinCo 401(k) Plan to recognize and maintain such U.S. SpinCo Participant’s elections (to the extent applicable and reasonable), including payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders in effect under the Parent 401(k) Plan as of immediately prior to the 401(k) Plan Commencement Date, subject to the terms of the SpinCo 401(k) Plan and applicable Law.

(g) All contributions to be made to the Parent 401(k) Plan with respect to employee deferrals, matching contributions and employer contributions for SpinCo Participants, other than Former SpinCo Employees, who are active participants in the Parent 401(k) Plan as of immediately prior to the 401(k) Plan Commencement Date that relate to a time period ending on or prior to the 401(k) Plan Commencement Date, calculated in accordance with the terms and provisions of the Parent 401(k) Plan and applicable Law, shall be the responsibility of SpinCo under the SpinCo 401(k) Plan.

(h) Prior to the 401(k) Plan Commencement Date, the parties shall cooperate in good faith to determine the allocation (if any) between the Parent 401(k) Plan and the SpinCo 401(k) Plan of the forfeiture account balance under the Parent 401(k) Plan outstanding as of immediately prior to the 401(k) Plan Commencement Date and, to the extent applicable, the mechanics for transferring the applicable allocable portion of such account from the Parent 401(k) Plan to the SpinCo 401(k) Plan.

Section 5.02. *SpinCo Canada DC Plans*.

(a) Effective as of the applicable Benefits Commencement Date, SpinCo or another member of the SpinCo Group will adopt the SpinCo Canada DC Plan. From and after the applicable Benefits Commencement Date, the applicable member of the SpinCo Group shall be responsible for the administration of the SpinCo Canada DC Plan, and no member of the Parent Group shall have any Liability or obligation (including any administration obligation) with respect to the SpinCo Canada DC Plan.

(b) On or as soon as reasonably practicable following the applicable Benefits Commencement Date (but not later than 180 days thereafter), Parent or another member of the Parent Group will cause each Parent Canada DC Plan to transfer to the SpinCo Canada DC Plan, and SpinCo or another member of the SpinCo Group will cause such SpinCo Canada DC Plan to accept the transfer of, the accounts, related Liabilities and any related Assets in such Parent Canada DC Plan attributable to SpinCo Participants. The transfer of assets will be in cash or in kind (as determined by Parent) and will be made in accordance with applicable Law. From and after the applicable Benefits Commencement Date, SpinCo and the SpinCo Group will be solely and exclusively responsible for all obligations and Liabilities with respect to, or related to, benefits under the SpinCo Canada DC Plan, whether accrued before, on or after the applicable Benefits Commencement Date.

Section 5.03. *Legacy U.S. Pension Plan*. Effective as of the Separation Time, the Legacy U.S. Pension Plan, which shall include The Bausch & Lomb Retirement Benefits Trust, shall be retained by the SpinCo Group in accordance with its terms. On and following the Separation Time, each Parent Participant 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). From and after the Distribution Date, the terms of the Legacy U.S. Pension Plan will govern the terms of distributions, if any, of any benefits payable under the Legacy U.S. Pension Plan to any Parent Participants, as the case may be. For the avoidance of doubt, any Liabilities arising from or relating to the Legacy U.S. Pension Plan and The Bausch & Lomb Retirement Benefits Trust (whether relating to Parent Participants, SpinCo Participants or SpinCo Employees) shall constitute SpinCo Assumed Employee Liabilities.

Section 5.04. *Parent Deferred Compensation Plan*. Effective as of the Separation Time, the Parent Deferred Compensation Plan shall be retained by the Parent Group in accordance with its terms, and, for the avoidance of doubt, any Liabilities arising from or relating to the Parent Deferred Compensation Plan will constitute Parent Retained Employee Liabilities.

Section 5.05. *Legacy SERP*. Effective as of the Separation Time, the Legacy SERP, including each of the secular trusts established thereunder, will be retained by the SpinCo Group in accordance with its terms, and, for the avoidance of doubt, any Liabilities arising from or relating to the Legacy SERP will constitute SpinCo Assumed Employee Liabilities.

Section 5.06. *Other Non-U.S. Retirement Plans*. The parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to any Employee Plans that are defined contribution retirement

plans or arrangements and any defined benefit pension plans or arrangements (other than the Parent Canada DC Plan) (including any statutory plans or arrangements), in each case in which any Non-U.S. SpinCo Participants participate as of immediately prior to the Separation Time (including with respect to the creation of any "mirror" plans and the transfer of any accounts, Liabilities and related Assets), which in all cases shall be consistent with the general approach and philosophy regarding the allocation of Assets and Liabilities (as expressly set forth in the recitals to this Agreement).

ARTICLE VI
HEALTH AND WELFARE PLANS; PAID TIME OFF AND VACATION

Section 6.01. *Cessation of Participation in Parent H&W Plans; Participation in SpinCo H&W Plans* .

(a) Subject to the terms of the Transition Services Agreement, effective as of the applicable Benefits Commencement Date, SpinCo or another member of the SpinCo Group will provide all health and welfare benefits under SpinCo H&W Plans to SpinCo Participants and, to the extent necessary, establish certain SpinCo H&W Plans having features (including benefit coverage options and employer contribution provisions) that are similar to the features of the corresponding Parent H&W Plans in which such SpinCo Participants participated immediately prior to the Benefits Commencement Date, except as may otherwise be mutually agreed between the parties and only to the extent that such features are commercially reasonable for SpinCo or any other member of the SpinCo Group to offer to SpinCo Participants; *provided* that, the parties agree and acknowledge that nothing in this Agreement shall require SpinCo or any other member of the SpinCo Group to provide all of the health and welfare benefits that were provided by Parent prior to the Benefits Commencement Date.

(b) Without limiting the generality of Section 4.01, effective as of the applicable Benefits Commencement Date, except as otherwise provided by the terms of the Transition Services Agreement, (i) SpinCo Participants shall cease to actively participate in the Parent H&W Plans, (ii) SpinCo shall cause SpinCo Participants who participate in (or who are otherwise entitled to present or future benefits under) a Parent H&W Plan as of immediately prior to the Benefits Commencement Date to be automatically enrolled in, covered by or otherwise offered participation in, a corresponding SpinCo H&W Plan, and (iii) SpinCo shall use reasonable best efforts to cause the SpinCo H&W Plans to recognize all elections and designations (including coverage and contribution elections and beneficiary designations, continuation coverage and conversion elections, and qualified medical child support orders and other orders issued by courts of competent jurisdiction) in effect with respect to SpinCo Participants as of immediately prior to the applicable Benefits Commencement Date under the corresponding Parent H&W Plan for the remainder of the period or periods for which such elections are by their terms applicable, subject to the terms of the applicable SpinCo H&W Plan. Notwithstanding anything to the contrary herein, Former SpinCo Employees who are receiving long-term disability benefits under any Parent H&W Plan as of the Separation Time will continue participation in the applicable Parent H&W Plan providing for such long-term disability benefits, in accordance with, and subject to the terms and conditions of, such Parent H&W Plan and applicable Law (with the cost of any such benefits constituting a Parent Retained Employee Liability), and such Former SpinCo Employees will not be enrolled in, covered by or otherwise offered participation in, a corresponding SpinCo H&W Plan with respect to such long-term disability benefits.

(c) Subject to the terms of the applicable SpinCo H&W Plan and applicable Law, SpinCo shall use its reasonable best efforts to (i) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to SpinCo Participants under any SpinCo H&W Plan in which any such SpinCo Participant may be eligible to participate on or after the applicable Benefits Commencement Date to the extent that such conditions, exclusions and waiting periods are not applicable to or had been previously satisfied by any such SpinCo Participant under the corresponding SpinCo H&W Plans and (ii) credit SpinCo Participants under any applicable SpinCo H&W Plan for any coinsurance or deductibles paid under any corresponding Parent H&W Plan prior to the date such SpinCo Participant becomes a participant in such applicable SpinCo H&W Plan, if any, with respect to the calendar year in which such participation commences. Such credit, if any, shall be given for the purpose of satisfying any applicable coinsurance or deductible requirements under any of the applicable SpinCo H&W Plans in which such SpinCo Participant is eligible to participate after the applicable Benefits Commencement Date.

(d) Neither the transfer nor other movement of employment or service from any member of the Parent Group to any member of the SpinCo Group (including as contemplated by Article III) at any time before the Benefits Commencement Date shall constitute or be treated as a "status change" under the Parent H&W Plans or the SpinCo H&W Plans.

(e) Notwithstanding anything to the contrary herein, subject to Section 6.02, during the Benefits Transition Period, if any, SpinCo Participants will continue participation in, and benefit accrual under, Parent H&W Plans, subject to an in accordance with the terms and conditions of such Parent H&W Plans and applicable Law and, if applicable, the terms and conditions of the Transition Services Agreement, and the cost of such continued participation during the Benefits Transition Period shall be reimbursed by SpinCo to Parent.

Section 6.02. *Assumption of Health and Welfare Plan Liabilities* . Except as otherwise expressly provided in this Agreement and subject to Section 6.03, effective as of the Separation Time, (a) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred prior to the Separation Time by each SpinCo Participant under the Parent H&W Plans shall remain Liabilities of the Parent Group and shall be deemed to be Parent Retained Employee Liabilities, (b) all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred prior to the Separation Time by each SpinCo Participant under the SpinCo H&W Plans shall be assumed by the SpinCo Group, and no portion of the Liability shall be treated as a Parent Retained Employee Liability and (c) all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred on or after the Separation Time by each SpinCo Participant (whether under Parent H&W Plans or SpinCo H&W Plans) shall be retained or assumed (as applicable) by the SpinCo Group, and no portion of the Liability shall be treated as a Parent Retained Employee Liability; *provided* that, notwithstanding anything to the contrary herein, all Liabilities relating to, arising out of or resulting from short-term disability benefit claims by any SpinCo Participants incurred (x) on or before December 31, 2021 under any Parent H&W Plans or SpinCo H&W Plans (if applicable) shall be retained by the Parent Group (and constitute Parent Retained Employee Liabilities) and (y) following December 31, 2021 under any Parent H&W Plans or SpinCo H&W Plans shall be assumed by the SpinCo Group (and constitute SpinCo Assumed Employee Liabilities). Without limiting the generality of the foregoing, subject to Section 6.03, any and all costs, expenses or Liabilities relating to participation by SpinCo Participants in the Parent H&W Plans during the Benefits Transition Period shall constitute SpinCo Assumed Employee Liabilities and shall be reimbursed by the Company to the Parent Group, including, if applicable, in accordance with the terms of the Transition Services Agreement. For purposes of this Section 6.02, (i) a medical, dental or vision benefit claim shall be "incurred" when the relevant service is provided or item purchased, (ii) a short-term disability benefit claim shall be "incurred" when the circumstance or event giving rise to such short-term disability benefit claim first occurs and (iii) other benefit claims shall be "incurred" when any relevant benefit or payment is required to be provided or paid to the SpinCo Participant, regardless of the time of the circumstance or event giving rise to such claims. Notwithstanding anything to the contrary herein, all Liabilities relating to long-term disability benefits received by Former SpinCo Employees under a Parent H&W Plan will remain Parent Retained Employee Liabilities, regardless of when incurred.

Section 6.03. *Post-Retirement Health and Welfare Benefits.* Notwithstanding anything to the contrary in Section 6.01 or Section 6.02, effective as of the Separation Time, the Legacy Retiree H&W Plan will be retained by the SpinCo Group in accordance with its terms, and, for the avoidance of doubt, any Liabilities arising from or relating to the Legacy Retiree H&W Plan will constitute SpinCo Assumed Employee Liabilities.

Section 6.04. *Flexible Spending Account Plan Treatment* . Effective as of the applicable Benefits Commencement Date, the Company shall establish or designate flexible spending accounts for health and dependent care expenses (the "**SpinCo FSAs**"). To the extent applicable, the parties shall take all actions reasonably necessary or appropriate so that the account balances (positive or negative) under the Parent FSAs of each SpinCo Participant who has elected to participate therein in the year in which the applicable Benefits Commencement Date occurs shall be transferred, effective as of the applicable Benefits Commencement Date, from the Parent FSAs to the corresponding SpinCo FSAs. The SpinCo FSAs shall assume responsibility as of the applicable Benefits Commencement Date for all outstanding dependent care and health care claims under the Parent FSAs of each SpinCo Participant for the year in which the applicable Benefits Commencement Date occurs and shall assume the rights of and agree to perform the obligations of the analogous Parent FSA from and after the applicable Benefits

Commencement Date. The parties shall cooperate in good faith to provide that the contribution elections of each such SpinCo Participant as in effect immediately before the applicable Benefits Commencement Date remain in effect under the SpinCo FSAs from and after the applicable Benefits Commencement Date.

Section 6.05. *Workers' Compensation Liabilities*. (i) All workers' compensation Liabilities relating to, arising out of or resulting from any claim by any SpinCo Participant that result from an accident or from an occupational disease, to the extent incurred before the Separation Time (or the applicable Delayed Transfer Date), shall be retained by Parent and shall constitute Parent Retained Employee Liabilities and (ii) all workers' compensation Liabilities relating to, arising out of or resulting from any claim by any SpinCo Participant that results from an accident or from an occupational disease, to the extent incurred on or after the Separation Time (or the applicable Delayed Transfer Date), shall be assumed by SpinCo and shall constitute SpinCo Assumed Employee Liabilities. The parties shall cooperate with respect to any notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and contracts governing the handling of claims.

Section 6.06. *Vacation and Paid Time Off*. Effective as of no later than the Separation Time, the applicable SpinCo Group member shall recognize and assume all Liabilities with respect to vacation, holiday, sick leave, paid time off, floating holidays, personal days and other paid time off with respect to SpinCo Participants accrued on or prior to the Separation Time, and the Company shall credit each such SpinCo Participant with such accrual; *provided*, that if any such vacation or paid time off is required under applicable Law to be paid out to the applicable SpinCo Participant in connection with the Distribution, such payment will be made by the Company as of no later than the Distribution Date, and the Company will credit such SpinCo Participant with unpaid vacation time or paid time off in respect thereof; it being understood that any amount of vacation or paid time off required to be paid out in connection with the Distribution shall constitute SpinCo Assumed Employee Liabilities.

Section 6.07. *COBRA and HIPAA*.

(a) The Parent Group shall administer the Parent Group's compliance with the health care continuation coverage requirements of COBRA, the certificate of creditable coverage requirements of HIPAA and the corresponding provisions of the Parent H&W Plans with respect to SpinCo Participants who incur a COBRA "qualifying event" occurring before the applicable Benefits Commencement Date entitling them to benefits under a Parent H&W Plan; *provided* that, for the avoidance of doubt, any Liabilities related thereto (i) in connection with a "qualifying event" occurring before the Separation Time shall constitute Parent Retained Employee Liabilities and (ii) in connection with a "qualifying event" occurring on or after the Separation Time shall constitute SpinCo Assumed Employee Liabilities.

(b) The Company shall be solely responsible for all Liabilities incurred pursuant to COBRA and for administering, at the Company's expense, compliance with the health care continuation coverage requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the SpinCo H&W Plans with respect to SpinCo Participants who incur a COBRA "qualifying event" that occurs at any time on or after the applicable Benefits Commencement Date entitling them to benefits under a SpinCo Plan and, for the avoidance of doubt, any Liabilities related thereto shall constitute SpinCo Assumed Employee Liabilities.

(c) The parties agree that neither the Separation, the Distribution nor any assignment or transfer of the employment or services of any employee or individual independent contractor as contemplated under this Agreement shall constitute a COBRA "qualifying event" for any purpose of COBRA, and the parties shall cooperate in good faith to give effect to such intent.

ARTICLE VII
INCENTIVE COMPENSATION

Section 7.01. *Cash Incentive and Cash Bonus Plans*.

(a) Each SpinCo Participant participating in any Parent Plan or SpinCo Plan that is a cash bonus or cash incentive plan (including, without limitation, any sales incentive plan) with respect to the 2021 performance year (each, a "**2021 Bonus Plan**") will remain eligible to receive a cash bonus in respect of the 2021 performance year (or any applicable 2021 quarterly performance period under any sales incentive or similar plan, as the case may be) (collectively, the "**2021 Cash Bonuses**") in accordance with, and subject to, the terms and conditions of such applicable 2021 Bonus Plan (including any necessary or appropriate adjustments made to reflect the Separation Time), as determined by the Parent Compensation Committee. Following the end of the 2021 performance year, the Parent Compensation Committee (or its delegate) will certify achievement of the performance goals under the 2021 Bonus Plans in the ordinary course of business (including as to the timing of such certification) and in accordance with the terms of such 2021 Bonus Plans and shall determine the 2021 Cash Bonuses payable to the SpinCo Participants (the date of such certification, the "**2021 Bonus Certification Date**"). Following the Separation Time, the Company shall pay the 2021 Cash Bonuses to the SpinCo Participants on behalf of Parent in accordance with the terms of the applicable 2021 Bonus Plans (including terms relating to the timing of payment), to the extent not paid prior to the Separation Time, in an amount no less than the 2021 Aggregate Cash Bonus Amount (which shall be communicated by Parent to the Company prior to the Separation Time). For purposes of this Agreement, the "**2021 Aggregate Cash Bonus Amount**" shall mean an amount equal to the aggregate amount of all such 2021 Cash Bonuses actually payable to SpinCo Participants or, if the Separation Time occurs prior to the 2021 Bonus Certification Date, the 2021 Aggregate Cash Bonus Amount shall be equal to Parent's good faith estimate as of the Separation Time of the aggregate amount of the 2021 Cash Bonuses that Parent expects will become payable to all SpinCo Participants under the 2021 Bonus Plans, in each case together with the employer portion of any applicable payroll, employment and similar taxes thereon. The 2021 Aggregate Cash Bonus Amount shall constitute a Parent Retained Employee Liability, and shall be fully satisfied by Parent prior to the Separation Time in such manner as reasonably determined by Parent in good faith.

(b) For the 2022 performance year (and, to the extent applicable, any performance years thereafter), (i) SpinCo Participants will not be eligible to participate in any Parent Plan that is a cash bonus or cash incentive plan (including, without limitation, any sales incentive plan) and (ii) SpinCo or another member of the SpinCo Group will establish one or more cash bonus or cash incentive plans for SpinCo Participants (each, a "**SpinCo Bonus Plan**"). The terms and conditions of the SpinCo Bonus Plans (including the applicable performance metrics) with respect to the 2022 performance year (and any performance year thereafter) will be established by the SpinCo Board (or an applicable committee or delegate thereof). For the avoidance of doubt, any amounts payable under any SpinCo Bonus Plans (including with respect to the 2022 performance year) shall constitute SpinCo Assumed Employee Liabilities.

Section 7.02. *B+L Separation Bonuses*. Each SpinCo Participant who, as of immediately prior to the Separation Time, is eligible to receive a cash bonus award under the Bausch + Lomb Separation Bonus Opportunity program, regardless of when payable (the "**Covered Bonus Awards**"), will remain eligible to receive his or her Covered Bonus Award following the Separation Time in accordance with, and subject to the terms of, the applicable agreement or program, as applicable; *provided* that such SpinCo Participant's continued employment with the SpinCo Group following the Separation Time shall count towards satisfying any continuous employment requirement applicable to any such Covered Bonus Award. Any Covered Bonus Award that becomes payable to SpinCo Participants following the Separation Time will be paid by SpinCo on behalf of Parent in accordance with the terms of the applicable agreement or program (including terms relating to the timing of payment); *provided, further*, that 100% of the aggregate amount of such Covered Bonus Awards payable to SpinCo Participants (and the employer portion of any applicable payroll, employment and similar taxes thereon) shall constitute a Parent Retained Employee Liability.

ARTICLE VIII
TREATMENT OF OUTSTANDING EQUITY AWARDS

Section 8.01. *No Adjustments at the IPO*. Except as may otherwise be provided pursuant to the express terms of any Parent RSU, Parent Deferred RSU, Parent PRSU, Parent MRSU or Parent Option, no adjustments shall be made to any Parent RSU, Parent Deferred RSU, Parent PRSU, Parent MRSU or Parent Option in connection with the execution of this Agreement or the consummation of the IPO.

Section 8.02. *Parent RSU, Parent Deferred RSU and PRSU Distribution Adjustments* .

(a) Effective as of immediately prior to the consummation of the Distribution on the Distribution Date, except as provided in Section 8.02(b) or 8.02(c) or with respect to the Parent New CEO Grant, (1) each Parent RSU and Parent PRSU that is outstanding as of immediately prior to the Distribution Date that (w) was granted prior to July 19, 2024 (except with respect to any New Hire Grant) or was granted prior to December 31, 2024 (solely in the case of a New Hire Grant) and (y) is held by (i) a Parent Participant (but excluding any Former Parent Employee or Agency Transfer Employee), (ii) a SpinCo Participant (other than a Former SpinCo Employee) or (iii) a Parent Director or a Dual Director and (2) each Parent Deferred RSU that is outstanding as of immediately prior to the Distribution Date and held by a Dual Director, a SpinCo Director or a Parent Director, in each case shall be converted into both (I) an Adjusted Parent RSU, Adjusted Parent PRSU, Adjusted Parent Deferred RSU, respectively, (II) an award of restricted share units with respect to Resulting Entity Common Shares in respect of each Parent PRSU ("**SpinCo RSUs**") in respect of each Parent RSU and Parent Deferred RSU and (III) an award of performance restricted share units with respect to Resulting Entity Common Shares ("**SpinCo PRSUs**"), and each such Adjusted Parent RSU, Adjusted Parent PRSU, Adjusted Parent Deferred RSU, SpinCo RSU and SpinCo PRSU shall be subject to the same terms and conditions (including vesting and payment schedules and, if applicable, performance conditions and deferral elections) as were applicable to the corresponding Parent RSU, Parent PRSU and Parent Deferred RSU as of immediately prior to the Distribution Date, but subject to the Sell-to-Cover Amendments (as defined below); *provided* that from and after the Distribution Date:

(i) the target number of Parent Common Shares subject to such Adjusted Parent RSU, Adjusted Parent PRSU or Adjusted Parent Deferred RSU, as applicable, shall be equal to the target number of Parent Common Shares subject to the corresponding Parent RSU, Parent PRSU or Parent Deferred RSU, as applicable, immediately prior to the Distribution Date;

(ii) the target number of Resulting Entity Common Shares subject to such SpinCo RSU and such SpinCo PRSU, as applicable, shall be determined by multiplying (A) the target number of the Parent Common Shares subject to the corresponding Parent RSU, Parent PRSU or Parent Deferred RSU, as applicable, immediately prior to the Distribution Date by (B) the Basket Ratio, rounded down to the nearest whole share (provided that the number of Resulting Entity Common Shares that may ultimately be delivered upon vesting and settlement of the SpinCo PRSUs will in no event exceed the maximum performance payout level applicable to the corresponding Parent PRSUs); and

(iii) with respect to the SpinCo PRSUs issued hereunder, the Parent Board (or the Parent Compensation Committee) shall determine and promptly communicate to SpinCo the extent to which the performance conditions applicable to such SpinCo PRSUs have been satisfied in good faith as of the end of the performance period applicable to such SpinCo RSUs and in the same manner as such determination is made with respect to the performance conditions applicable to the corresponding Parent PRSUs (as set forth in the applicable award agreements as of immediately prior to the Distribution Date), and to the extent that the Parent Board (or the Parent Compensation Committee) approves any positive discretionary adjustments to payout levels with respect to any Annual Measurement Period (as defined in the applicable award agreements) to be applied to the corresponding Parent PRSUs ("**Positive Discretionary Adjustments**") such Positive Discretionary Adjustments when applied to the SpinCo PRSUs will not result in a payout level greater than 100% for the Annual Measurement Period. For the avoidance of doubt any Positive Discretionary Adjustments made to any Annual Measurement Period of the Parent PRSUs resulting in achievement over 100% for the Annual Measurement Period which are capped at 100% for the corresponding Annual Measurement Period of the SpinCo PRSUs pursuant to the preceding sentence shall in no way cap the payout levels applied to any aggregate Annual Measurement Periods (including Adjusted Operating Cash Flow Performance Goal Achievement Percentage (as set forth in the applicable award agreements)) if the performance payout levels with respect to such other or aggregate Annual Measurement Periods is above 100% without applying Positive Discretionary Adjustment. Any Positive Discretionary Adjustments to any total shareholder return performance modifier when applied to any SpinCo PRSUs shall not result in a payout level greater than 100% with respect to SpinCo PRSUs.

Notwithstanding anything to the contrary herein, the conversion pursuant to this Section 8.02(a) of each applicable Parent RSU, Parent PRSU and Parent Deferred RSU held by an individual that is a resident of Canada for purposes of the ITA, or is held by an individual who is not a resident of Canada for purposes of the ITA and who was granted the Parent Award in respect of, in the course of, or by virtue of duties of any office or employment performed in Canada (each, a "**Canadian Participant**") shall be effectuated by (i) such Canadian Participant continuing to hold Parent RSUs, Parent PRSUs and Parent Deferred RSUs with respect to the same target number of Parent Common Shares as such Canadian Participant held immediately prior to the Distribution Date and (ii) such Canadian Participant receiving a "Converted Award" under the SpinCo Equity Plan in the form of SpinCo RSUs or SpinCo PRSUs, as applicable, with respect to a target number of Resulting Entity Common Shares determined by multiplying (x) the target number of the Parent Common Shares subject to the corresponding Parent RSU, Parent PRSU or Parent Deferred RSU, as applicable, immediately prior to the Distribution Date by (y) the Basket Ratio, rounded down to the nearest whole share (*provided* that the number of Resulting Entity Common Shares that may ultimately be delivered upon vesting and settlement of the SpinCo PRSUs will in no event exceed the maximum performance payout level applicable to the corresponding Parent PRSUs). For the avoidance of doubt, the Parent RSUs, Parent PRSUs and Parent Deferred RSUs held by Canadian Participants immediately following the conversion described above shall constitute "Adjusted Parent RSUs", "Adjusted Parent PRSUs" and "Adjusted Parent Deferred RSUs", respectively, for purposes of this Agreement.

(b) Effective as of immediately prior to the consummation of the Distribution on the Distribution Date, and notwithstanding anything to the contrary in Section 8.02(a), each Parent RSU and Parent PRSU that is outstanding as of immediately prior to the Distribution Date and that (1) is held by a Parent Participant and (x) was granted on or following July 19, 2024 (except with respect to any New Hire Grant) or (y) was granted on or following December 31, 2024 (solely in the case of a New Hire Grant), (2) is the Parent New CEO Grant, (3) is held by (i) a Former Parent Employee, (ii) a Former SpinCo Employee, or (iii) an Agency Transfer Employee (in each case of this sub-clause (3), regardless of when granted) or (4) is held by a Parent Participant that is employed in a jurisdiction listed on Exhibit C or any other jurisdiction mutually agreed in writing by Parent and SpinCo (each, a "**Specified Jurisdiction**"), in each case shall be converted into an Adjusted Parent RSU or Adjusted Parent PRSU, as applicable. The number of Parent Common Shares subject to such Adjusted Parent RSU or Adjusted Parent PRSU, as applicable, shall be determined by multiplying (A) the number of Parent Common Shares subject to such Parent RSU or Parent PRSU, as applicable, as of immediately prior to the Distribution Date by (B) the Parent Concentration Ratio, rounded down to the nearest whole share. Each such Adjusted Parent RSU or Adjusted Parent PRSU shall be subject to the same terms and conditions (including vesting and payment schedules and, if applicable, performance-based vesting conditions and deferral elections) as applicable to the corresponding Parent RSU or Parent PRSU as of immediately prior to the Distribution Date.

(c) Effective as of immediately prior to the consummation of the Distribution on the Distribution Date, and notwithstanding anything to the contrary in Section 8.02(a), each Parent RSU and Parent PRSU that is outstanding as of immediately prior to the Distribution Date and that (1) is held by a SpinCo Participant (other than a Former SpinCo Employee) and that (x) was granted on or following July 19, 2024 (except with respect to any New Hire Grant) or (y) was granted on or following December 31, 2024 (solely with respect to a New Hire Grant), (2) is held by a SpinCo Director or (3) is held by a SpinCo Participant (other than a Former SpinCo Employee) that is employed in a Specified Jurisdiction, in each case shall be converted into a SpinCo RSU. The number of Resulting Entity Common Shares subject to such SpinCo RSU shall be determined by multiplying (A) the number of Parent Common Shares subject to such Parent RSU or Parent PRSU, as applicable, as of immediately prior to the Distribution Date by (B) the Company Concentration Ratio, rounded down to the nearest whole share. Each such SpinCo RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding Parent RSU or Parent PRSU as of immediately prior to the Distribution Date (for the avoidance of doubt, in the case of any Parent PRSUs, the corresponding SpinCo RSUs issued pursuant to this Section 8.02(c) shall not be subject to any performance-based vesting conditions following the Distribution Date).

(d) Notwithstanding anything to the contrary herein, with respect to any Parent PRSUs for which the applicable performance period is not yet complete or deemed complete as of the Distribution Date, the Parent Compensation Committee shall make such equitable adjustments to the applicable performance goals in light of the

impact of the Distribution on such performance goals, as determined in the discretion of the Parent Compensation Committee in accordance with the terms of the Parent Equity Plan and the applicable award agreements thereunder.

Section 8.03. *Stock Option Distribution Adjustments*.

(a) Effective as of immediately prior to the consummation of the Distribution on the Distribution Date, each Parent Option (whether vested or unvested) that is outstanding as of immediately prior to the Distribution Date and that is held by a SpinCo Participant other than a Former SpinCo Employee shall be converted into an option to acquire Resulting Entity Common Shares (each, a "**SpinCo Option**") and shall be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding Parent Option as of immediately prior to the Distribution Date; *provided*, that the number of Resulting Entity Common Shares subject to such SpinCo Option and the exercise price per Resulting Entity Common Shares applicable to such SpinCo Option shall, in each case, be determined by the Compensation Committee of the SpinCo Board following good faith consultation with Parent in a manner that is intended to preserve the aggregate intrinsic value of such Parent Option.

(b) Effective as of immediately prior to the consummation of the Distribution on the Distribution Date, each Parent Option (whether vested or unvested) that is outstanding as of immediately prior to the Distribution Date and held by (1) a Parent Participant (including any Former Parent Employee), (2) a Former SpinCo Employee or (3) an Agency Transfer Employee, in each case shall be converted into an Adjusted Parent Option and shall be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding Parent Option as of immediately prior to the Distribution Date; *provided*, that (i) the number of Parent Common Shares subject to such Adjusted Parent Option shall be determined by multiplying (A) the number of Parent Common Shares subject to the corresponding Parent Option immediately prior to the Distribution Date by (B) the Parent Concentration Ratio, rounded down to the nearest whole share, and (ii) the exercise price per Parent Common Share applicable to such Adjusted Parent Option shall be determined by dividing (A) the exercise price per Parent Common Share applicable to the corresponding Parent Option immediately prior to the Distribution Date by (ii) the Parent Concentration Ratio, rounded up to the nearest whole cent.

(c) Notwithstanding anything to the contrary in this Section 8.03, the exercise price, the number of shares of Parent Common Shares or Resulting Entity Common Shares, as applicable, and the terms and conditions of exercise applicable to any Adjusted Parent Option or SpinCo Option, as the case may be, shall be determined in a manner consistent with the requirements of Section 409A of the Code and other applicable tax Laws (including, if applicable, the ITA).

Section 8.04. *SpinCo Equity Plan.* Effective as of the time the IPO Registration Statement is declared effective by the SEC, the Company shall adopt an equity incentive compensation plan for the benefit of eligible SpinCo Participants (the "**SpinCo Equity Plan**"). The Company shall prepare and file with the Securities and Exchange Commission a registration statement on an appropriate form with respect to the Resulting Entity Common Shares to be authorized for issuance under the SpinCo Equity Plan and shall use its reasonable best efforts to have such registration statement declared effective as soon as practicable following the time the IPO Registration Statement is declared effective by the SEC. Any and all costs and expenses incurred by the Parent Group to establish and design the SpinCo Equity Plan will be retained by Parent and will constitute Parent Retained Employee Liabilities. From and after the Separation Time, (i) the Company shall retain the SpinCo Equity Plan, and all Liabilities thereunder shall constitute SpinCo Assumed Employee Liabilities, and (ii) Parent shall retain the Parent Equity Plan, and all Liabilities thereunder shall constitute Parent Retained Employee Liabilities.

Section 8.05. *Employee Stock Purchase Plan; Matching Shares Program.* Prior to the Separation Time, the Parent Board or the appropriate committee or delegate thereof shall take all actions reasonably necessary to cause the Offering (as defined in the Parent ESPP) in effect under the Parent ESPP during which the Separation Time occurs (or such applicable prior Offering) to be the final Offering with respect to any SpinCo Participants. SpinCo Participants will be eligible to receive a grant of Parent MRSUs in respect of such final Offering, to the extent applicable, in accordance with, and subject to the terms of, the Parent ESPP. Following such final Offering, and notwithstanding anything to the contrary in the Parent ESPP, each SpinCo Participant shall cease participation

in the Parent ESPP. Effective as of the Separation Time, SpinCo Participant shall cease eligibility to participate in the Parent Matching Shares Program.

Section 8.06. *Miscellaneous Terms and Actions; Tax Reporting and Withholding* .

(a) From and after the Distribution Date, for purposes of any SpinCo Awards received by any Parent Participant, Parent Director or Dual Director pursuant to Section 8.02 or 8.03, (i) such Parent Participant's, Parent Director's or Dual Director's employment with or service to the Parent Group shall be treated as employment with and service to the SpinCo Group (including with respect to any deferral elections) and shall count towards satisfying any applicable service-based vesting requirements applicable to any such SpinCo Awards and (ii) any reference to "cause", "good reason", "disability", "willful" or other similar terms applicable to such SpinCo Awards shall be deemed to refer to the definitions of "cause", "good reason", "disability", "willful" or other similar terms set forth in the Parent Equity Plan (or, if applicable, in such Parent Participant's individual employment or similar agreement with a member of the Parent Group). From and after the Distribution Date, for purposes of any Adjusted Parent Awards received by any SpinCo Participant, SpinCo Director or Dual Director pursuant to Section 8.02 or 8.03, as applicable, (A) such SpinCo Participant's, SpinCo Director's or Dual Director's employment with or service to the SpinCo Group shall be treated as employment with and service to the Parent Group (including with respect to any deferral elections) and shall count towards satisfying any applicable service-based vesting requirements applicable to any such Adjusted Parent Awards and (B) any reference to "cause", "good reason", "disability", "willful" or other similar terms applicable to such Adjusted Parent Awards shall be deemed to refer to the definitions of "cause", "good reason", "disability", "willful" or other similar terms set forth in the SpinCo Equity Plan (or, if applicable, in such SpinCo Participant's individual employment or similar agreement with a member of the SpinCo Group). From and after the Distribution Date, for purposes of any SpinCo Awards received by any SpinCo Participant, SpinCo Director or Dual Director pursuant to Section 8.02 or 8.03 hereof, such SpinCo Participant's, SpinCo Director's or Dual Director's continued service with any member of the SpinCo Group (and, for the avoidance of doubt, in the case of any Dual Director, with any member of the Parent Group) on and following the Distribution Date shall count towards satisfying any applicable service-based vesting requirements applicable to any such SpinCo Awards (and, in accordance with Section 8.06(c) below, the Distribution shall not be deemed a termination of employment or service for purposes of such SpinCo Awards). The foregoing provisions of this Section 8.06(a) shall apply to the applicable Adjusted Parent Awards and SpinCo Awards, in each case to the extent that such provisions do not result in adverse tax consequences under Section 409A of the Code.

(b) From and after the Distribution Date, subject to compliance with any applicable requirements under Section 409A of the Code (if applicable), (x) any reference to a "change in control," "change of control" or similar term applicable to any Adjusted Parent Award contained in any applicable award agreement, employment or services agreement or the Parent Equity Plan shall be deemed to refer to a "change in control," "change of control" or similar term as defined in such award agreement, employment or services agreement or the Parent Equity Plan (a "**Parent Change in Control**") and (y) any reference to a "change in control," "change of control" or similar term applicable to any SpinCo Award contained in any applicable award agreement, employment or services agreement or the SpinCo Equity Plan shall be deemed to refer to a "change in control," "change of control" or similar term as defined in the SpinCo Equity Plan (a "**SpinCo Change in Control**").

(c) For the avoidance of doubt, the Distribution shall not, in and of itself, be treated as either a Parent Change in Control or a SpinCo Change in Control. Neither the Separation, the Distribution nor any assignment, transfer or continuation of the employment of employees as contemplated by Article III shall, in any such case, be deemed a termination of employment or service of any SpinCo Participant, Parent Participant, SpinCo Director, Parent Director or Dual Director or otherwise constitute a Parent Change in Control or SpinCo Change in Control, in each such case for purposes of the Parent Equity Plan or the SpinCo Equity Plan for any Adjusted Parent Award or SpinCo Award, as applicable. Without limiting the generality of the foregoing, to the extent Parent determines it necessary or desirable, each Parent RSU, Parent PRSU or Parent Option, as the case may be, shall be amended to expressly clarify the same.

(d) From and after the Distribution Time, all Adjusted Parent Awards, regardless of by whom held, shall be granted under and subject to the terms of the Parent Equity Plan and shall be settled by Parent, and all

SpinCo Awards, regardless of by whom held, shall be granted under and subject to the terms of the SpinCo Equity Plan and shall be settled by the Company.

(e) The Company shall be responsible for the settlement of cash dividend equivalents on any Adjusted Parent Awards or SpinCo Awards held by a SpinCo Participant or SpinCo Director, and Parent shall be responsible for the settlement of cash dividend equivalents on any Adjusted Parent Awards or SpinCo Awards held by a Parent Participant or Parent Director; *provided* that (i) with respect to SpinCo Awards held by Parent Participants or Parent Directors (for which Parent is obligated to settle the applicable cash dividend equivalents in accordance with this Section 8.06(e) on behalf of SpinCo), prior to the date any such settlement is due, the Company shall pay Parent in cash amounts required to settle any dividend equivalents accrued following the Distribution Time and (ii) with respect to any Adjusted Parent Awards held by SpinCo Participants or SpinCo Directors (for which SpinCo is obligated to settle the applicable cash dividend equivalents in accordance with this Section 8.06(e) on behalf of Parent) prior to the date any such settlement is due, Parent shall pay SpinCo in cash amounts required to settle any dividend equivalents accrued following the Distribution Time. With respect to a Dual Director, the Company shall be responsible for the settlement of cash dividend equivalents on any SpinCo Awards, and Parent shall be responsible for the settlement of cash dividend equivalents on any Adjusted Parent Awards.

(f) Unless otherwise required by applicable Law and notwithstanding anything in Section 9.02 of this Agreement to the contrary, (i) the applicable member of the SpinCo Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations (including the amount of any employer portion of any applicable payroll, employment or similar taxes) (collectively, the "**Tax-Related Obligations**") in respect of SpinCo Participants relating to any Adjusted Parent Awards or SpinCo Awards and (ii) the applicable member of the Parent Group shall be responsible for all applicable Tax-Related Obligations in respect of Parent Participants relating to any Adjusted Parent Awards or SpinCo Awards. Notwithstanding any prior practice between the Groups or anything to the contrary herein, as of the effective date of the amendment, no member of the Parent Group or the SpinCo Group shall be required to reimburse the other Group for any Tax-Related Obligations incurred by such other Group pursuant to this Section 8.06(f), regardless of whether such Tax-Related Obligations relate to any Adjusted Parent Awards or SpinCo Awards. The parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient and appropriate manner. Notwithstanding anything set forth herein, Parent shall, prior to the Distribution, take any and all actions necessary and appropriate to amend each outstanding award agreement relating to a Parent RSU, Parent Deferred RSU and Parent PRSU (regardless of whether held by a Parent Participant, SpinCo Participant or any other person) to provide that (i) the resulting Adjusted Parent Awards held by SpinCo Participants following the conversion pursuant to Section 8.02(a) will be subject to "sell-to-cover" with respect to any Tax-Related Obligations in respect thereof and (ii) the resulting SpinCo Awards following the conversion pursuant to Section 8.02(a) held by Parent Participants and any other person will be subject to "sell-to-cover" with respect to any Tax-Related Obligations in respect thereof (together, the "**Sell-to-Cover Amendments**"). The parties will cooperate and communicate in order to facilitate the "sell-to-cover" procedures with the applicable brokerage.

(g) The Company shall prepare and file with the SEC a registration statement on an appropriate form with respect to the Resulting Entity Common Shares subject to the Parent Awards converted into SpinCo Awards pursuant to this Article VIII and shall use its reasonable best efforts to have such registration statement declared effective as soon as practicable following the Distribution Date and to maintain the effectiveness of such registration statement covering such SpinCo Awards (and to maintain the current status of the prospectus contained therein) for so long as any such SpinCo Awards remain outstanding.

(h) Prior to the Distribution Time, each party shall take all such steps as may be required to cause any dispositions of Parent Common Shares (including Parent Awards or any other derivative securities with respect to Parent Common Shares) or acquisitions of Resulting Entity Common Shares (including SpinCo Awards or any other derivative securities with respect to Resulting Entity Common Shares) resulting from the Distribution or the transactions contemplated by this Agreement or the Master Separation Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to Parent or who are or will become subject to such reporting requirements with respect to the Company to be exempt under Rule 16b-3 promulgated

under the Exchange Act. With respect to those individuals, if any, who, subsequent to the Distribution Date, are or become subject to the reporting requirements under Section 16(a) of the Exchange Act, as applicable, the Company shall administer any Parent Award converted into a SpinCo Award pursuant to this Article VIII in a manner that complies with Rule 16b-3 promulgated under the Exchange Act to the extent such converted Parent Award complied with such rule prior to the Distribution Date.

(i) From and after the Distribution Date, each of Parent and the Company shall cooperate in good faith to facilitate the orderly administration of the Adjusted Parent Awards and SpinCo Awards held by Parent Participants, SpinCo Participants, Parent Directors, SpinCo Directors and Dual Directors, as applicable, including, without limitation, the sharing of information relating to such individuals' employment or service status with the Parent Group or the SpinCo Group, as applicable, as well as other information relating to the vesting and forfeiture of Adjusted Parent Awards or SpinCo Awards, tax withholding and reporting and compliance with applicable Law.

(j) Notwithstanding anything to the contrary herein, all adjustments to Parent Awards contemplated by this Article VIII shall be made in accordance with the terms and conditions of the Parent Equity Plan and, to the extent applicable, in a manner consistent with the requirements of Section 409A of the Code and other applicable tax laws (including the ITA).

(k) For the avoidance of doubt, (i) the adjustments described in Section 8.02 and Section 8.03 reflect the adjustments that shall be made to the Parent Awards that are outstanding as of immediately prior to the Distribution Date, as a result of, and after giving effect to, the consummation of all of the transactions, in the aggregate, that collectively constitute the Distribution, as detailed in the Plan of Arrangement and the Master Separation Agreement and (ii) for purposes of the treatment of outstanding equity incentive awards set forth in this Article VIII, an individual's employment status with respect to the Parent Group or the SpinCo Group, as the case may be, including whether such individual is a current or former employee thereof, shall be determined by reference to such individual's applicable employment status as of immediately prior to the Distribution.

(l) Notwithstanding anything to the contrary herein or in the Arrangement Agreement or the Plan of Arrangement, in no event shall the definition of the "Basket Ratio" (or any terms incorporated therein) be amended or in any way altered or modified unless mutually agreed in writing by Parent and SpinCo.

Section 8.07. *Effectiveness of Amendment.* The amendments to the Prior Agreement that are reflected in Sections 8.02 and 8.03 are subject to the applicable regulatory approvals discussed between the parties prior to the date hereof. In furtherance thereof, SpinCo shall take necessary actions to seek such applicable regulatory approval.

ARTICLE IX
PERSONNEL RECORDS; PAYROLL AND TAX WITHHOLDING

Section 9.01. *Personnel Records*. To the extent permitted by applicable Law, each of the SpinCo Group and the Parent Group shall be permitted by the other to access and retain copies of such records, data and other personnel-related information in any form ("**Personnel Records**") as may be necessary or appropriate to carry out their respective obligations under this Agreement, the Master Separation Agreement, any of the Ancillary Agreements or applicable Law, and for the purposes of administering their respective employee benefit plans and policies. All Personnel Records shall be accessed, retained, held, used, copied and transmitted in accordance with all applicable Laws, policies and agreements between the parties hereto.

Section 9.02. *Payroll; Tax Reporting and Withholding*.

(a) Subject to the obligations of the parties as set forth in the Transition Services Agreement, effective as of no later than the Separation Time (or, in the case of any Delayed Transfer Employee, if later, the applicable Delayed Transfer Date), (i) the members of the SpinCo Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the SpinCo Employees and for any Liabilities with respect to garnishments of the salary and wages thereof and (ii) the members of the Parent Group shall be solely

responsible for providing payroll services (including for any payroll period already in progress) to the Parent Employees and for any Liabilities with respect to garnishments of the salary and wages thereof.

(b) To the extent consistent with the terms of the Tax Matters Agreement, the party that is responsible for making a payment hereunder shall be responsible for (i) making the appropriate withholdings, if any, attributable to such payments and (ii) preparing and filing all related required forms and returns with the appropriate Governmental Authority.

(c) With respect to SpinCo Employees, the parties shall (i) treat the Company (or the applicable member of the SpinCo Group) as a "successor employer" and Parent (or the applicable member of the Parent Group) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the U.S. Federal Unemployment Tax Act or the U.S. Federal Insurance Contributions Act, and (ii) cooperate and use reasonable best efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

ARTICLE X
NON-U.S. EMPLOYEES AND EMPLOYEE PLANS

Section 10.01. *Special Provisions for Employees and Employee Plans Outside of the United States* .

(a) From and after the date hereof, to the extent not addressed in this Agreement, the parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to (i) Non-U.S. Parent Participants and Non-U.S. SpinCo Participants and (ii) employees and employee-, compensation- and benefits-related matters with respect to Non-U.S. Parent Participants and Non-U.S. SpinCo Participants (including Employee Plans covering Non-U.S. Parent Participants and Non-U.S. SpinCo Participants), which in all cases shall be consistent with the general approach and philosophy regarding the allocation of Assets and Liabilities (as expressly set forth in the recitals to this Agreement).

(b) Without limiting the generality of Section 3.03(a), to the extent required by applicable Law or the terms of any SpinCo CBA or similar employee representative agreement, SpinCo or a member of the SpinCo Group, as applicable, shall become a party to the applicable collective bargaining, works council, or similar arrangements with respect to SpinCo Employees located outside of the United States and shall comply with all obligations thereunder from and after the Separation Time.

ARTICLE XI
GENERAL AND ADMINISTRATIVE

Section 11.01. *Sharing of Participant Information*. To the maximum extent permitted under applicable Law, Parent and the Company shall share, and shall cause each member of its respective Group to reasonably cooperate with the other party hereto to (i) share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the Parent Plans and the SpinCo Plans (including notifications regarding the termination of employment or service of any SpinCo Participant or Parent Participant to the extent relevant to the administration of a Parent Plan or SpinCo Plan, as the case may be), (ii) facilitate the transactions and activities contemplated by this Agreement and (iii) resolve any and all employment-related claims regarding SpinCo Participants. The Company and its respective authorized agents shall, subject to applicable Laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the Parent Group, to the extent reasonably necessary for such administration. Parent Group members shall be entitled to retain copies of all Company Books and Records relating to the subjects of this Agreement in the custody of the Parent Group, subject to the terms of the Master Separation Agreement and applicable Law.

Section 11.02. *Cooperation.* Following the date of this Agreement, the parties shall, and shall cause their respective Subsidiaries to, to cooperate in good faith with respect to any employee compensation or benefits

matters that either party reasonably determines require the cooperation of the other party in order to accomplish the objectives of this Agreement (including, without limitation, relating to any audits by any Governmental Authorities); *provided* that nothing herein shall be deemed to require any member of the SpinCo Group to administer any Parent Plan or to require any member of the Parent Group to administer any SpinCo Plan, in each case at any time on or following the Separation Time.

Section 11.03. *Vendor Contracts.* Prior to the Benefits Commencement Date, Parent and SpinCo will cooperate in good faith and use commercially reasonable best efforts to (a) negotiate with the current third-party providers to separate and assign to the SpinCo Group (or SpinCo Plans) the applicable rights and obligations under each group insurance policy, health maintenance organization, administrative services contract, third-party administrator agreement, letter of understanding or similar arrangement that pertains to one or more Parent Plans (each, a "**Vendor Contract**"), to the extent that such rights or obligations pertain to SpinCo Participants, or, in the alternative, to negotiate with the current third-party providers to provide similar services to a SpinCo Plan on similar terms under separate contracts with a member of the SpinCo Group or the SpinCo Plans, as applicable, and (b) to the extent permitted by the applicable third-party provider, obtain and maintain pricing discounts or other preferential terms for the Parent Group and SpinCo Group under the applicable Vendor Contracts.

Section 11.04. *Data Privacy.* Notwithstanding anything to the contrary herein, the parties agree that any applicable data privacy laws and any other obligations of the Parent Group and the SpinCo Group to maintain the confidentiality of any employee information held by any member of the Parent Group or the SpinCo Group, as applicable, or any information held in connection with any Employee Plans in accordance with applicable Law will govern the disclosure of employee information between the parties under this Agreement. Each of Parent and SpinCo will ensure that it has in place appropriate technical and organizational security measures to protect the personal data of the Parent Participants and SpinCo Participants, respectively.

Section 11.05. *Notices of Certain Events*. Each of the Company and Parent shall promptly notify and provide copies to the other of: (a) written notice from any Person alleging that the approval or consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (b) any written notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or the Master Separation Agreement; and (c) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the SpinCo Group or the Parent Group, as the case may be, that relate to the consummation of the transactions contemplated by this Agreement or the Master Separation Agreement; *provided* that the delivery of any notice pursuant to this Section 11.05 shall not affect the remedies available hereunder to the party receiving such notice.

Section 11.06. *No Third Party Beneficiaries*. Notwithstanding anything to the contrary herein, nothing in this Agreement shall: (a) create any obligation on the part of any member of the SpinCo Group or any member of the Parent Group to retain the employment or services of any current or former employee, director, independent contractor or other service provider; (b) be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee or service provider of any member of the Parent Group or the SpinCo Group (or any beneficiary or dependent thereof) under this Agreement, the Master Separation Agreement, any Parent Plan or SpinCo Plan or otherwise; (c) preclude the Company or any SpinCo Group member (or, in each case, any successor thereto), at any time after the Separation Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any SpinCo Plan, any benefit under any SpinCo Plan or any trust, insurance policy, or funding vehicle related to any SpinCo Plan (in each case in accordance with the terms of the applicable arrangement); (d) preclude Parent or any Parent Group member (or, in each case, any successor thereto), at any time after the Separation Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Parent Plan, any benefit under any Parent Plan or any trust, insurance policy, or funding vehicle related to any Parent Plan (in each case in accordance with the terms of the applicable arrangement); or (e) confer any rights or remedies (including any third-party beneficiary rights) on any current or former employee or service provider of any member of the Parent Group or the SpinCo Group or any beneficiary or dependent thereof or any other Person.

Section 11.07. *Fiduciary Matters*. Parent and the Company each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 11.08. *Consent of Third Parties*. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority), the parties shall cooperate in good faith and use reasonable best efforts obtain such consent, and if such consent is not obtained, to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. A party's obligation to use its "reasonable best efforts" shall not require such party to take any action to the extent it would reasonably be expected to (i) jeopardize, or result in the loss or waiver of, any attorney-client or other legal privilege, (ii) contravene any applicable Law or fiduciary duty, (iii) result in the loss of protection of any Intellectual Property or other proprietary information or (iv) incur any non-routine or unreasonable cost or expense.

ARTICLE XII
NON-SOLICIT; NO-HIRE

Section 12.01. *Non-Solicitation/No-Hire of Covered Service Providers*.

(a) During the applicable Restricted Period, SpinCo shall not, and shall cause the other members of the SpinCo Group not to, (i) solicit or induce, or attempt to solicit or induce, any Covered Parent Service Provider to terminate his or her employment or service relationship with any member of the Parent Group or the Solta Group, as applicable, or (ii) hire or engage any Covered Parent Service Provider; *provided*, that the restrictions set forth in clause (i) of this Section 12.01(a) shall not prohibit a member of the SpinCo Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward a Covered Parent Service Provider (*provided* that nothing in this proviso shall permit the hiring or engagement of any such Covered Parent Service Provider who responds to any such public advertisement or general solicitation). Notwithstanding anything to the contrary in this Section 12.01(a), subject to approval in the discretion of Parent's Chief Executive Officer or Parent's Chief Human Resources Officer (with respect to Covered Parent Service Providers), the limitations provided for in this Section 12.01(a) may be waived at the written request of SpinCo. Notwithstanding anything to the contrary herein, (A) nothing in this Section 12.01(a) shall prohibit the SpinCo Group from hiring a New Agency Transfer Employee upon the prior written request of the Parent Group (as contemplated by Section 3.01(c) hereof) and (B) for the avoidance of doubt, the SpinCo Group's employment of any Agency Transfer Employees (including, for the avoidance of doubt, any New Agency Transfer Employees) in accordance with the terms of any applicable Agency Agreement shall not be deemed to breach or otherwise violate SpinCo's obligations under this Section 12.01(a).

(b) During the applicable Restricted Period, Parent shall not, and shall cause the other members of the Parent Group not to, (i) solicit or induce, or attempt to solicit or induce, any Covered SpinCo Service Provider to terminate his or her employment or service relationship with any member of the SpinCo Group or (ii) hire or engage any Covered SpinCo Service Provider; *provided*, that the restrictions set forth in clause (i) of this Section 12.01(b) shall not prohibit a member of the Parent Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward a Covered SpinCo Service Provider (*provided* that nothing in this proviso shall permit the hiring or engagement of any such Covered SpinCo Service Provider who responds to any such public advertisement or general solicitation). Notwithstanding anything to the contrary in this Section 12.01(b), subject to approval in the discretion of SpinCo's Chief Executive Officer or SpinCo's Chief Human Resources Officer, the limitations provided for in this Section 12.01(b) may be waived at the written request of Parent.

ARTICLE XIII
DISPUTE RESOLUTION

Section 13.01. *General*. The provisions of Article VIII of the Master Separation Agreement shall apply, *mutatis mutandis*, to all disputes, controversies, or claims (whether arising in contract, tort, or otherwise) that may arise out of or relate to, or arise under or in connection with, this Agreement or the transactions contemplated hereby.

ARTICLE XIV
MISCELLANEOUS

Section 14.01. *General*. The provisions of Article XI of the Master Separation Agreement (other than Section 11.9 and Section 11.19 of the Master Separation Agreement) are hereby incorporated by reference into and deemed part of this Agreement and shall apply, *mutatis mutandis,* as if fully set forth in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written, which shall be given effect as of the Original Effective Date.

BAUSCH HEALTH COMPANIES INC.

By: */s/ Thomas J. Appio*

Name: Thomas J. Appio

Title: Chief Executive Officer

BAUSCH + LOMB CORPORATION

By: */s/ Brenton L. Saunders*

Name: Brenton L. Saunders

Title: Chief Executive Officer and Chair of the Board

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brenton L. Saunders, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch + Lomb Corporation (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 1, 2024

/s/ BRENTON L. SAUNDERS

Brenton L. Saunders

Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sam Eldessouky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bausch + Lomb Corporation (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 1, 2024

/s/ SAM ELDESSOUKY

Sam Eldessouky

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Brenton L. Saunders, Chairman of the Board and Chief Executive Officer of Bausch + Lomb Corporation (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 1, 2024

ENTON L. SAUNDERS

n L. Saunders

ıan of the Board and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Sam Eldessouky, Executive Vice-President and Chief Financial Officer of Bausch + Lomb Corporation (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 1, 2024

M ELDESSOUKY

ldessouky

ive Vice President and Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.