

## **SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement and Release (“Agreement”) is made between and among State Treasurer of the State of Michigan, as Custodian of the Michigan Public School Employees Retirement System, State Employees’ Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System (“Plaintiff”), and Tyco International Ltd. (“Tyco”), Tyco Electronics Ltd. (“Tyco Electronics”), Mark A. Belnick (“Belnick”) and Covidien Ltd. (“Covidien”) (collectively, the “Tyco Parties”) (together with Plaintiff, the “Parties”).

**WHEREAS** in State Treasurer of the State of Michigan, as Custodian of the Michigan Public School Employees Retirement System, State Employees’ Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System v. Tyco International Ltd., et al. (United States District Court for the District of New Hampshire, Civil Action No. CV-1340-PB; MDL No. 1335) (the “Suit”), Plaintiff has sued the Tyco Parties and others;

**WHEREAS** the Tyco Parties have denied any and all claims of wrongdoing, liability or damages;

**WHEREAS** the Parties now desire to settle any and all matters, disputes and claims they may have against one another relating to the Suit;

**WHEREAS** the Parties do not intend for this Agreement to release any claims that Plaintiff or any of the Tyco Parties have or may have against L. Dennis Kozlowski, Mark H. Swartz, Frank E. Walsh, Jr., or PricewaterhouseCoopers LLP (the “Non-Settling Defendants”), including, without limitation, those claims pending in, or relating to, the Suit.

**THEREFORE**, in consideration of the promises in this Agreement, the Parties agree as follows:

1. **EXECUTION DATE.** The Execution Date of this Agreement will be the date as of which the Agreement is fully executed.

2. **DISMISSAL OF THE SUIT.** Upon full execution of this Agreement and payment of the Settlement Funds, the Parties shall direct their counsel to file, and counsel shall promptly file, an Agreed Order of Dismissal and Bar Order in the form attached as Exhibit A.

3. **SETTLEMENT FUNDS.** On or before June 8, 2009, Tyco will initiate and complete a payment by wire(s) to Plaintiff in the amount of \$24,500,000 (TWENTY-FOUR MILLION, FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS) (the "Settlement Funds"), in accordance with the instructions attached as Exhibit B.

4. **NO ADMISSION.** The Parties expressly deny, and this agreement is not an admission of, any wrongdoing or any liability to each other on any grounds. They agree that this Agreement reflects the compromise of disputed claims and is made only to avoid the expense, inconvenience and disruption that would result from continued litigation.

5. **MUTUAL RELEASES.**

a. Upon receipt of the Settlement Funds and except as provided herein, Plaintiff hereby releases the Tyco Parties and, with the specific exception of the Non-Settling Defendants, all of their respective present and former parents, subsidiaries, affiliates, officers, directors, employees, partners, principals, advisors, counsel, predecessors, successors and assigns, estates, heirs, executors, trusts, trustees, administrators, fiduciaries, consultants, representatives, accountants and auditors (except PricewaterhouseCoopers, PricewaterhouseCoopers LLP and their partners and employees), insurers and agents of each of them, and any person who is or was related to or affiliated with any of the foregoing from any and all claims, liability and damages of any kind, known or unknown, in contract, tort or otherwise, which were or could have been

asserted in the Suit which arise out of, relate to or are based upon the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Complaint, in the Suit or in the prosecution, defense or settlement of the Suit, except claims to enforce this Settlement Agreement (the "Plaintiff's Released Claims").

b. Except as provided herein, the Tyco Parties hereby release Plaintiff and all of its respective present and former parents, subsidiaries, affiliates, officers, directors, employees, partners, principals, advisors, counsel, predecessors, successors and assigns, estates, heirs, executors, trusts, trustees, administrators, fiduciaries, consultants, representatives, accountants and auditors (except PricewaterhouseCoopers, PricewaterhouseCoopers LLP and its partners and employees), insurers and agents of each of them, and any person who is or was related to or affiliated with any of the foregoing (*provided, however*, that the foregoing does not include any or all of the Non-Settling Defendants), from any and all claims, liability and damages of any kind, known or unknown, in contract, tort or otherwise, which were or could have been asserted in the Suit which arise out of, relate to or are based upon the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Complaint, in the Suit or in the prosecution, defense or settlement of the Suit, except claims to enforce this Settlement Agreement (the "Tyco Parties' Released Claims").

c. Nothing in this Agreement or the Agreed Order of Dismissal and Bar Order is, or shall be construed as, a release or bar of any claims by any Tyco Party or any Plaintiff against any Non-Settling Defendant.

6. **ATTORNEYS' FEES AND EXPENSES.** Each Party agrees to bear his or its own attorneys' fees and expenses in connection with all matters related to this dispute and its settlement; provided, however, that nothing in this Agreement shall release, waive or affect the

validity or enforceability of any existing indemnification rights, obligations or agreements of, between or among the Tyco Parties.

7. **CHOICE OF LAW.** This Agreement shall be construed and enforced under, and in accordance with, the laws of the State of New Jersey.

8. **EXCLUSIVE JURISDICTION.** For purposes of any suit, action or proceeding involving this Agreement, the Parties hereby expressly submit to the exclusive jurisdiction of the U.S. District Court for the District of New Hampshire while the Suit remains pending there and thereafter to the U.S. District Court for the Eastern District of Michigan and consent that any order, process, notice of motion or other application to or by such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by personal service.

9. **ENTIRE AGREEMENT.** The Parties fully understand and agree to the terms and provisions of this Agreement, acknowledging that there are no promises, representations or agreements in connection with this Agreement other than those specifically set forth herein, and that they intend this to be a final and binding settlement and release of all the Plaintiff's Released Claims and the Tyco Parties' Released Claims, whether or not they have been previously asserted or articulated. Accordingly, the Parties agree not to assert in any forum that: (a) the Action was brought or defended in bad faith or without a reasonable basis; or (b) any Party or any Party's Counsel committed any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution or defense of the Action.

10. **NO THIRD-PARTY BENEFICIARIES.** The Parties do not intend to confer any right or remedy upon any individual or entity other than the Parties, and in no event shall anything contained in this Agreement provide any third-party beneficiary rights to any person or entity.

11. **ADVICE OF COUNSEL.** The Parties agree that they have had the opportunity to have counsel of their choosing review this Agreement prior to signing it and have sought appropriate legal advice from counsel regarding this Agreement.

12. **AUTHORITY.** All persons executing this Agreement warrant and represent that they have full authority and have obtained all necessary consents or approval from the entities for which they execute this Agreement.

13. **COUNTERPART SIGNATURES.** This Agreement may be signed in one or more counterpart copies, each of which, taken together, shall constitute one and the same agreement though no single counterpart bears all Parties' signatures.

**IN WITNESS WHEREOF,** the undersigned have executed this document as of the date noted below.

Date: 5-13-09

STATE TREASURER OF THE STATE OF  
MICHIGAN, AS CUSTODIAN OF THE  
MICHIGAN PUBLIC SCHOOL EMPLOYEES  
RETIREMENT SYSTEM, STATE EMPLOYEES'  
RETIREMENT SYSTEM, MICHIGAN STATE  
POLICE RETIREMENT SYSTEM AND  
MICHIGAN JUDGES RETIREMENT SYSTEM

By: Robert J. Kleine  
State Treasurer of the State of Michigan

Date: \_\_\_\_\_

Tyco International Ltd.

By: \_\_\_\_\_  
Tyco International Ltd.

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MICHIGAN, AS CUSTODIAN OF THE  
MICHIGAN PUBLIC SCHOOL EMPLOYEES  
RETIREMENT SYSTEM, STATE EMPLOYEES'  
RETIREMENT SYSTEM, MICHIGAN STATE  
POLICE RETIREMENT SYSTEM AND  
MICHIGAN JUDGES RETIREMENT SYSTEM

By: \_\_\_\_\_  
State Treasurer of the State of Michigan

Date: May 11, 2009

Tyco International Ltd.

By:   
Tyco International Ltd.

Date: \_\_\_\_\_

Tyco Electronics Ltd.

By: Robert A. Scott  
Tyco Electronics Ltd.

Date: \_\_\_\_\_

Covidien Ltd.

By: \_\_\_\_\_  
Covidien Ltd.

Date: \_\_\_\_\_

\_\_\_\_\_  
Mark A. Belnick

Date: \_\_\_\_\_

Tyco Electronics Ltd.

By: \_\_\_\_\_  
Tyco Electronics Ltd.

Date: 5/12/09

Covidien Ltd.

By:  \_\_\_\_\_  
Covidien Ltd.

Date: \_\_\_\_\_

\_\_\_\_\_  
Mark A. Belnick

Date: \_\_\_\_\_

Tyco Electronics Ltd.

By: \_\_\_\_\_  
Tyco Electronics Ltd.

Date: \_\_\_\_\_

Covidien Ltd.

By: \_\_\_\_\_  
Covidien Ltd.

Date: 5/19/09

Mark A. Belnick  
Mark A. Belnick

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW HAMPSHIRE**

STATE TREASURER OF THE STATE OF  
MICHIGAN, AS CUSTODIAN OF THE  
MICHIGAN PUBLIC SCHOOL EMPLOYEES  
RETIREMENT SYSTEM, STATE EMPLOYEES'  
RETIREMENT SYSTEM, MICHIGAN STATE  
POLICE RETIREMENT SYSTEM, AND MICHIGAN  
JUDGES RETIREMENT SYSTEM,

Plaintiff,

v.

TYCO INTERNATIONAL LTD., COVIDIEN LTD.,  
TYCO ELECTRONICS LTD., L. DENNIS KOZLOWSKI,  
MARK H. SWARTZ, MARK A. BELNICK,  
FRANK E. WALSH, JR., PRICEWATERHOUSECOOPERS,  
AND PRICEWATERHOUSECOOPERS, LLP,

Defendants.

Civil Action No.:  
08-CV-01340-PB

**AGREED ORDER AND FINAL JUDGMENT OF DISMISSAL AGAINST  
DEFENDANTS TYCO INTERNATIONAL LTD., TYCO ELECTRONICS LTD., AND  
MARK A. BELNICK, COVIDIEN LTD. AND BAR ORDER**

State Treasurer Of The State Of Michigan, as Custodian Of The Michigan Public School Employees Retirement System, State Employees' Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System ("Plaintiff") and Defendants Tyco International Ltd., Tyco Electronics Ltd., Mark A. Belnick and Covidien Ltd. (each of them a "Settling Party" and collectively, the "Settling Parties"), having represented to the Court that they have entered into a settlement agreement that resolves all issues between and among them in the Complaint, and for good cause shown, the Court ORDERS:

1. Pursuant to Section 21D(f)(7)(A) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(f)(7)(A): (a) defendants L. Dennis Kozlowski, Mark H. Swartz, Frank E. Walsh, Jr., and PricewaterhouseCoopers LLP (collectively, the "Non-Settling

Defendants”), and each of them, are hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for or otherwise seeking contribution against any Settling Party based upon, relating to, or arising out of the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions alleged, involved, set forth or referred to in the Complaint in this suit; and (b) except as provided in paragraph 5(c) of the accompanying Settlement Agreement and Release, each Settling Party is hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for or otherwise seeking contribution for any amount paid in connection with this action against any other person based upon, relating to, or arising out of the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions alleged, involved, set forth or referred to in the Complaint in the suit.

2. Because there is no just reason for the delaying the entry of a final judgment with respect to the claims asserted by Plaintiff against the Settling Parties, all claims asserted by Plaintiff against the Settling Parties in the Complaint are **DISMISSED WITH PREJUDICE** pursuant to Federal Rule of Civil Procedure 54(b). This action is not dismissed with respect to any claims against the Non-Settling Defendants.

3. The Clerk is directed to enter this Agreed Order and Final Judgment of Dismissal against Defendants Tyco International Ltd., Tyco Electronics Ltd., Mark A. Belnick and Covidien Ltd. and Bar Order as a final judgment and send a copy of same to all counsel of record.

IT IS SO ORDERED.

Enter: / /2009

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The Hon. Paul Barbadoro  
United States District Judge

We ask for this:

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Edward A. Haffer, Esq.  
N.H. Bar #1052  
SHEEHAN PHINNEY BASS & GREEN, P.A.  
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One James Center  
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Richmond, VA 23219

*Counsel for Tyco International Ltd., Tyco Electronics Ltd. and Covidien, Ltd.*

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Washington, DC 20036

*Counsel for Mark A. Belnick*

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Hae Sung Nam, Esq.  
Donald R. Hall, Esq.  
KAPLAN FOX & KILSHEIMER LLP  
Special Assistant Attorney Generals  
State of Michigan  
850 Third Avenue, 14th Floor  
New York, NY 10022

*Counsel for Plaintiff State Treasurer of the State of Michigan*

WIRE TRANSFER INSTRUCTIONS:

BANK NAME/ADDRESS: Valley National Bank  
275 Madison Avenue  
New York, NY 10016  
Attn: Dennis Sheridan

BANK ROUTING NO.: 021201383

ACCOUNT NAME: Kaplan Fox & Kilsheimer LLP  
Attorney Escrow Account  
850 Third Avenue  
New York, NY 10022

ACCOUNT NO.: 09920401

TAX ID: 13-1806017