

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE**

IN RE TYCO INTERNATIONAL LTD., SECURITIES LITIGATION) MDL Docket No. 02-1335-PB)) This document relates to:) Securities Action) Civil Action No. 02-266-PB)
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NOTICE OF PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES AND FAIRNESS HEARING

If You Purchased Or Otherwise Acquired The Common Stock, Notes Or Options On Common Stock Of Tyco International Ltd. ("Tyco") From December 13, 1999 To June 7, 2002, Inclusive (the "Class Period"), You May Be A Member Of The Class In This Action And Entitled To Share In A \$3.2 Billion Settlement.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

If you belong to the Class and this Settlement is approved, your legal rights will be affected whether you act or not. Read this Notice carefully to see what your rights and options are in connection with this Settlement.¹

- On July 13, 2007, a settlement between the Class and defendants Tyco, Michael A. Ashcroft ("Ashcroft"), Mark A. Belnick ("Belnick") (collectively, the "Tyco Settling Defendants") and PricewaterhouseCoopers LLP ("PwC") (collectively, with the Tyco Settling Defendants, the "Settling Defendants") was preliminarily approved by the Court in the above-captioned action. If finally approved, the Settlement will resolve all claims of the Class in this litigation, since the only remaining claims against certain Non-Settling Defendants have been assigned to Tyco (the "Officer Assigned Claims") in exchange for a sharing arrangement for the benefit of the Class as further described herein.
- In exchange for the payment by the Tyco Settling Defendants of \$2.975 billion in cash, plus interest, and the provision of additional consideration resulting from the Officer Assigned Claims (the "Tyco Settlement"), and the payment by PwC of \$225 million in cash, plus interest (the "PwC Settlement"), the Class shall release any and all claims it has against the Settling Defendants and their Releasees. The total cash amount of \$3.2 billion, plus interest, is referred to herein as the Settlement Fund. The Settlement Fund, less attorneys' fees and other costs ("Net Settlement Fund"), will be distributed solely to Class Members who submit acceptable Proofs of Claim.
- In connection with the Officer Assigned Claims, the Class will assign to Tyco any claims it may have against Non-Settling Defendants L. Dennis Kozlowski ("Kozlowski"), Mark H. Swartz ("Swartz") or Frank E. Walsh, Jr. ("Walsh"). The Class will then be entitled to receive a fifty percent (50%) interest in any recovery Tyco collects from these individuals, either in Tyco's own litigation against them or in connection with the Officer Assigned Claims. Any such recovery shall be reduced for any offsets or counterclaims of the Non-Settling Defendants against Tyco and any attorneys' fees and expenses to be paid in connection with the litigation of such claims. While the Class Representatives expect that the Officer Assigned Claims will result in additional recoveries to be added to the Settlement Fund, no guarantees can be offered in this regard.
- The Settlement, if approved, shall also have the effect of resolving certain other Actions alleging similar claims that are currently pending in state courts in Illinois and Florida, as further described herein and listed on Exhibit A-1(b).
- The Class was certified by the Court by Order dated June 12, 2006. The Class consists of all persons and entities who purchased or otherwise acquired Tyco securities during the Class Period, and who were damaged thereby, excluding defendants, all of the officers, directors and partners thereof, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which any of the foregoing have or had a controlling interest.
- The Settling Parties disagree on the amount of damages, if any, that could have been recovered if the Class prevailed on each claim at trial. The Class Representatives estimate that the approximate average amount of recoverable damages to members of the Class who purchased Tyco common stock were this case to go to trial would be approximately \$5.423 per share based upon an estimate of 1.997 billion outstanding Tyco shares as of the last day of the Class Period. The Settling Defendants do not believe that they violated the federal securities laws, deny all allegations of wrongdoing asserted against them, and deny that any of Tyco's public statements were materially false or misleading. They have also asserted affirmative defenses to the claims alleged in this case. Accordingly, the Settling Defendants assert that they are not liable to the Class for any amount of damages.
- Class Representatives estimate that if all Class Members make a claim against the Settlement Fund, the average payment to Class Members will be \$1.474 per share of Tyco common stock, after taking into consideration the relative average payment

¹ This Notice summarizes and is qualified in its entirety by the Settlement Agreement, which sets forth the terms of the Settlement. Please refer to the Settlement Agreement for a complete description of the terms and provisions thereof. A copy of the Settlement Agreement is available at www.tycoclasssettlement.com.

that would be paid to purchasers of Tyco Notes during the Class Period (estimated at approximately 8% of total damages). Of this amount, fees and expenses requested by the attorneys will not exceed \$0.30 per share of Tyco common stock. **Please note that these amounts are only estimates.**

- Co-Lead Counsel intend to seek an award of attorneys' fees of up to 17.5% of the gross Settlement Fund, plus interest earned at the same rate earned by the Class on the Settlement Fund. Co-Lead Counsel have been litigating this case for the past five years without any payment whatsoever, advancing millions of dollars in time and expense. In addition, at the final hearing, Co-Lead Counsel will seek reimbursement of the expenses they have incurred in connection with the prosecution of this Action which will not exceed \$40 million.
- In reaching the Settlement, Class Representatives and Settling Defendants have avoided the cost and time of a trial and Class Representatives have agreed to the Settlement to avoid the risk of the dismissal of some or all of the claims of the Class against the Settling Defendants.
- Further information regarding the Settlement and this Notice may be obtained by contacting Plaintiffs' Co-Lead Counsel: Jay W. Eisenhofer, Esquire, Grant & Eisenhofer P.A., Chase Manhattan Centre, Suite 2100, 1201 North Market Street, Wilmington, DE 19801, Telephone: 302-622-7000; Sanford P. Dumain, Esquire, Milberg Weiss LLP, One Pennsylvania Plaza, New York, NY 10119, Telephone: 212-594-5300; or Richard S. Schiffrin, Esquire, Schiffrin Barroway Topaz & Kessler, LLP, 280 King of Prussia Road, Radnor, PA 19087, Telephone: 610-667-7706.

Submit a Proof of Claim Form (by December 28, 2007)	If the Settlement is approved and you are a member of the Class, you may be entitled to receive a payment only if you submit a Proof of Claim form. A copy of the Proof of Claim form is enclosed, and is also available at www.tycoclasssettlement.com . If you remain in the Class, you will be bound by the Settlement and will give up any "Released Claims" you may have against the Settling Defendants and others (as more fully described below in Answer to Question No. 2), so it is in your interest to submit a Proof of Claim form.
Exclude Yourself (by September 28, 2007)	If you do not wish to participate in the Settlement, you <i>must</i> exclude yourself (as described below in Answer to Question No. 13) and you <i>will not</i> receive any payment from the Settlement Fund. You cannot bring or be part of another lawsuit or arbitration against any of the Settling Defendants and related parties based on any Released Claims unless you exclude yourself from the Class.
Object (by September 28, 2007)	If you do not exclude yourself, but you wish to object to any part of the Settlement, you may (as discussed below in Answer to Question No. 18) write to the Court about your objections.
Attend the Fairness Hearing (to be held on November 2, 2007)	If you have submitted a written objection to any aspect of the Settlement to the Court, you may (but do not have to) attend the Fairness Hearing and present your objections to the Court at that hearing.
Do Nothing	If you are a Class Member and you do not either submit a Proof of Claim form or request exclusion, you will be bound by the release of the Settling Defendants and related parties, you will receive no payment, and you will not be able to bring or pursue any Released Claims in any other lawsuit or arbitration.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice. Please note the date of the Fairness Hearing – currently scheduled for November 2, 2007 – is subject to change without further notice. If you plan to attend the hearing, you should check with the Court to be sure no change to the date and time of the hearing has been made.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members only if the Court approves the Settlement and that approval is upheld in appeals that are filed, if any.

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BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family may have purchased or otherwise acquired Tyco common stock, Tyco notes or options on Tyco common stock (collectively "Tyco Securities") from December 13, 1999 to June 7, 2002, inclusive. The Court caused this Notice to be sent to you because, if you fall within this group, your rights will be affected and you have a right to know about the proposed Settlement, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after any objections and appeals are resolved, the Court-appointed Claims Administrator (The Garden City Group, Inc.) will cause payments to be made to Class Members who submit acceptable Proofs of Claim.

This Notice package describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this Action is the United States District Court for the District of New Hampshire. The people who are prosecuting this action on behalf of the Class are called Class Representatives and the people or companies they are suing are called Defendants. The Action is known as *In re Tyco International Ltd. Securities Litigation*, MDL Docket No. 02-1335-PB and Civil Action No. 02-266 PB. The claims in this Action subsume claims brought in other "Related Actions" (listed on Exhibit A-1(b) hereto) and thus, if the Settlement is approved, the claims in these cases, including those presently pending in state courts in Illinois and Florida (set forth on Exhibit A-1(b) hereto) will be dismissed as part of the Settlement. The Settlement will not release claims brought against Defendants Kozlowski, Swartz and Walsh, however, as the Class is assigning the claims against these Non-Settling Defendants to Tyco as a condition of the Settlement and will share in the proceeds of any recovery.

2. What is this lawsuit about?

During the Class Period Tyco manufactured, *inter alia*, telecommunications equipment, medical devices, and home alarm systems. The company, which was registered in Bermuda, had its principle place of business in Exeter, New Hampshire, at the time of the alleged fraud. Tyco's present principal place of business is West Windsor, New Jersey. PwC was Tyco's external auditor during the Class Period.

Since February 2002, over 20 putative class actions alleging securities law violations have been filed against Tyco and current or former officers and directors of Tyco, on behalf of putative classes of purchasers of Tyco Securities. The Judicial Panel on Multidistrict Litigation centralized all of these actions before the United States District Court for the District of New Hampshire for coordinated or consolidated pretrial proceedings. In November 2002, the Court appointed Lead Plaintiffs and approved their selection of Grant & Eisenhofer P.A., Milberg Weiss LLP (formerly known as Milberg Weiss Bershad Hynes & Lerach LLP) and Schiffrin Barroway Topaz & Kessler, LLP (formerly known as Schiffrin & Barroway, LLP) as Co-Lead Counsel in the Action.

On January 28, 2003, a 330-page Consolidated Securities Class Action Complaint (the "Complaint") was filed against Tyco, certain former officers and directors of Tyco, and PwC, alleging that these individuals and entities made false and misleading public statements and omitted material information about Tyco's finances in violation of Sections 10(b), 14, 20A and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") during the Class Period. The Complaint further alleges that defendants violated Sections 11 and 15 of the Securities Act of 1933 (the "Securities Act") by making false statements which appeared in registration statements which were issued in connection with new offerings of Tyco Securities and/or mergers and acquisitions entered into by Tyco during the Class Period. The Related Actions pending in state courts in Illinois and Florida also assert claims under Sections 11 and 15 of the Securities Act of 1933 during the Class Period. PwC is alleged to have misled investors by falsely stating that Tyco's financial statements were prepared according to Generally Accepted Accounting Principles and that PwC had conducted its audits according to

Generally Accepted Auditing Standards. The Settling Defendants have denied violating any laws and have raised or could raise numerous defenses, including that the statements were not false and misleading, or even if they were, Defendants were unaware of their falsity. In addition, the Settling Defendants have consistently argued that the Class was not damaged as a result of the challenged statements, but rather, that other market forces caused the value of Tyco Securities to decline during the Class Period.

The Class Claims Have Been Aggressively Litigated

Before filing the Complaint, Co-Lead Counsel undertook an extensive investigation into the events surrounding Tyco which included the review and analysis of SEC filings, press releases, public statements, news articles and other publications, records of Tyco's analyst conference calls and securities analysts' reports. The investigation also included in-person and telephonic interviews of former Tyco employees.

In October 2004, the Court denied Defendants' motion to dismiss the Complaint with respect to claims brought under Sections 10(b) and 20(a) of the Exchange Act and Sections 11 and 15 of the Securities Act. The Court granted dismissal of certain claims brought against Defendant Ashcroft and dismissal of all claims brought against all Defendants pursuant to Section 14(a) of the Exchange Act.

On January 14, 2005, Lead Plaintiffs filed a motion to certify a class consisting of all persons and entities who purchased or otherwise acquired Tyco securities during the Class Period, and who were damaged thereby, excluding defendants, all of the officers, directors and partners thereof, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which any of the foregoing have or had a controlling interest. The Parties undertook significant class certification discovery and participated in oral argument before the Court on April 1, 2006. The Court certified the class and appointed Plumbers and Pipefitters National Pension Fund, United Association General Officers Pension Plan, United Association Office Employees Pension Plan and United Association Local Union Officers & Employees Pension Fund, Teachers' Retirement System of Louisiana and the Louisiana State Employees' Retirement System as Class Representatives by Order dated June 12, 2006. Defendants filed a petition for leave to appeal the Court's June 12, 2006 Order with the First Circuit Court of Appeals, which was denied on September 22, 2006.

Co-Lead Counsel undertook extensive discovery with respect to the merits of the Action. This discovery included the analysis by Co-Lead Counsel of 80 million pages of documents produced by Tyco which related to, among other things, transactions discussed in the Complaint, public disclosures, internal budgets and forecasts, communications with analysts and the public regarding financial prospects, internal policies regarding insider trading transactions, records regarding insider trades and executive compensation. Co-lead Counsel also analyzed an additional 2.5 million pages of documents produced by PwC, including accounting and audit work papers. Co-Lead Counsel and their accounting consultants have literally spent thousands of hours reviewing, analyzing and summarizing these documents for use in prosecuting the action. Co-Lead Counsel also retained multiple experts to assist in the prosecution of the Action, during which more than 200 depositions were taken and appeared, either in person or telephonically, in no less than 40 hearings before the Court regarding a multitude of complex legal issues.

During the course of discovery, mediation between the Class Representatives and Tyco commenced, but was largely unsuccessful for the first few years. Nevertheless, the Parties continued to negotiate in good faith until an agreement in principle was reached in May of 2007. The Tyco Settlement is the product of several years of extensive negotiations between the Class Representatives and the Settling Defendants and their experienced counsel and was achieved by working through numerous rounds of mediation conducted before the Honorable Stanley Sporkin (Ret.) and several additional mediators working in conjunction therewith. While negotiations with PwC had been ongoing for some time, also under the guidance of a retired federal judge (Honorable Nicholas Politan (Ret.)), upon the announcement that an agreement in principle was reached with the Tyco Settling Defendants, these negotiations accelerated and, in July of 2007, the PwC Settlement was reached.

Release

If the Court approves the Settlement, all Class Members, on behalf of themselves their heirs, executors, administrators, predecessors, successors and assigns, will release any "Released Claims" they have as against the "Tyco Settling Defendants' Releasees" and the "PwC Releasees." This means that if you remain a member of the Class, any and all claims you have against the Settling Defendants and their Releasees will be released regardless of whether you file a Proof of Claim, and regardless of whether you are found eligible to share in the Settlement Fund.

"Released Claims" means any and all Claims, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in the MDL Securities Action by Class Representatives or any or all Class Members against any of the Tyco Settling Defendants' Releasees or PwC Releasees; and (ii) that could have been asserted in the MDL Securities Action or in any other forum by Class Representatives or any or all Class Members against any of the Tyco Settling Defendants' Releasees or PwC Releasees 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 and which relate to the purchase, acquisition, sale or retention of Tyco Securities. "Released Claims" includes Claims that relate in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences or oral or written statements or representations in connection with, or directly or indirectly relating to, the prosecution, defense or settlement of the Actions, except claims to enforce the Settlement. "Released Claims" does not mean or include claims, if any, against the Tyco Settling Defendants' Releasees or PwC Releasees arising under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* ("ERISA") which are not common to all Class Members, including any claims asserted in *Overby, et al. v. Tyco International, Ltd.*, Civil Action No. 02-MD-1357-PB (D.N.H.). Claims brought against the Settling Defendants, the Tyco Settling

Defendants' Releasees and the PwC Releasees in any other actions filed prior to the Execution Date other than the Actions (as defined herein) are specifically carved out from the Settlement and shall not be released by this Settlement.

"Tyco Settling Defendants' Releasees" means Tyco, Ashcroft and Belnick, their respective present and former parents, subsidiaries, divisions and affiliates; the Spun-Off Companies; the present and former employees, members, partners, principals, officers and directors, attorneys, advisors, trustees, administrators, fiduciaries, consultants, representatives, accountants and auditors (except PwC), insurers, and agents of each of them; the predecessors, estates, heirs, executors, trusts, trustees, administrators, successors and assigns of each of them, and any Person which is or was related to or affiliated with any of the foregoing or in which any of them has or had a Controlling Interest, *provided however*, that the Tyco Settling Defendants' Releasees does not include any or all of the Non-Settling Defendants. The Tyco Settling Defendants' Releasees specifically include Joshua M. Berman, Richard S. Bodman, John F. Fort, III, Stephen W. Foss, Richard Gilleland, Philip M. Hampton, Wendy E. Lane, James S. Pasman, Jr., W. Peter Slusser and Joseph F. Welch.

"PwC Releasees" means PwC, its present and former parents, subsidiaries, divisions and affiliates; PricewaterhouseCoopers International Limited, any member firm of PricewaterhouseCoopers International Limited, and any other entity or partnership (whether or not incorporated) which carries on business under a name which includes all or part of the PricewaterhouseCoopers name or is otherwise within (or associated or connected with an entity within) the worldwide network of PricewaterhouseCoopers firms (including, without limitation, the Bermuda firm of PricewaterhouseCoopers); the present and former employees, members, partners (including, without limitation, Richard P. Scalzo), principals, officers and directors, attorneys, advisors, trustees, administrators, fiduciaries, consultants, representatives, accountants and auditors, insurers, and agents of each of them; the predecessors, estates, heirs, executors, trusts, trustees, administrators, successors and assigns of each of them, and any Person which is or was related to or affiliated with any of the foregoing or in which any of them has or had a Controlling Interest, *provided however*, that the PwC Releasees do not include any or all of the Non-Settling Defendants.

A copy of the complete Settlement Agreement is available for free on the internet at www.tycoclasssettlement.com.

3. Why is this case a class action?

In a class action, one or more plaintiffs called Class Representatives sue on behalf of people who have similar claims. All of the individuals and entities on whose behalf the plaintiff is suing are Class Members. One court resolves the issues for all Class Members, except for those who choose to exclude themselves from the Class. United States District Judge Paul J. Barbadoro is presiding over the Action.

In this Action, the Court certified the Plumbers and Pipefitters National Pension Fund, United Association General Officers Pension Plan, United Association Office Employees Pension Plan, United Association Local Union Officers & Employees Pension Fund, Teachers' Retirement System of Louisiana, and Louisiana State Employees' Retirement System as Class Representatives.

4. Why is there a Settlement?

The Court has not reached a final judgment as to whether the Class has proved its claims under the Securities Act or the Exchange Act against the Settling Defendants. It would likely take several more years before a trial on the merits is held, final judgment is entered, and appeals exhausted. Instead, the Class Representatives and the Settling Defendants have agreed to resolve the lawsuit. In reaching the Settlement, they have avoided the risk, cost and time of a trial, and the Class Representatives have avoided any further delay in bringing this Action to a resolution. In addition, as with any litigated case, the Class Representatives would face an uncertain outcome if these cases went to trial. On the one hand, a trial could result in a verdict greater than the Settlement. On the other hand, the Settling Defendants have many defenses that they can be expected to assert, and a trial could result in a verdict lower than the Class Representatives have obtained, or even no recovery at all for the Class Representatives.

Based on these factors and others, the Class Representatives and their attorneys in this case believe the Settlement is best for all Class Members.

5. How do I know whether I am part of the Class?

To see if you will receive money from the Settlement Fund, you first must determine whether you are a Class Member. The Class consists of, subject to certain exceptions, the following individuals and entities:

All persons and entities who purchased or otherwise acquired Tyco Securities during the Class Period and who were damaged thereby, excluding defendants, all of the officers, directors and partners thereof, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which any of the foregoing have or had a controlling interest.

6. Are there other exceptions to being included?

You are not a Class Member if you are a Defendant in this case or if you are Edward Federman, Richard J. Heger, Richard D. Power or Raymond Scott Stevenson. In addition, current and former officers, directors and partners of Defendants are also excluded from the Class, as well as their immediate family members and any entity in which they have a controlling interest, including, without limitation, any of the following: K&D Trust, Kozlowski Family Partnership, L.P., Kozlowski Family 1998 Trust, Kozlowski Family Foundation, L. Dennis Kozlowski 1997 Foundation Trust, KMS Partnership, L.P., KMS Family Partnership L.P., KMS Family 1999 Trust, KMS Trust, KMS Family Corp., SFFP Trust, Swartz Family Foundation, Swartz Family Partnership, Mayo Realty Trust LLC, K Corp. LLC, DCS Family Partnership L.P., Endeavour Forever Corp., KFT Family Partnership, L.P., KFT Trust, Kozma Ltd., KD Nominee Trust, Whitehall Street Real Estate Ltd. Partnership, SEA, SEA Holdings LLC, 850 Lake Drive, LLC, 2365 South Ocean Blvd. Realty Trust, 447 Primavera Way, LLC, 24 Straw's Point Realty Trust, and GV Realty Trust.

You are not a Class Member if you submit a valid and timely request for exclusion from the Settlement. The procedure for requesting exclusion from the Settlement is described below in the Answer to Question No. 13, "How do I get out of the Settlement?"

You are not a Class Member if you previously settled an actual or threatened lawsuit or arbitration with the Settling Defendants and released all of the Settling Defendants from further claims concerning the purchase, sale or exchange of Tyco Securities.

If one of your mutual funds owns shares of Tyco, that alone does not make you a Class Member. You may contact your broker to see whether you have purchased or otherwise acquired Tyco Securities during the Class Period.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator at 1-888-326-8965, or write to the following address:

Tyco International Ltd. Securities Litigation Settlement
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9156
Dublin, OH 43017-4156

Or you can fill out and return the Proof of Claim form to see whether you qualify.

The Settlement Benefits - What You Receive

8. What does the Settlement provide?

Pursuant to the Tyco Settlement, \$2,975,000,000 was deposited by the Tyco Settling Defendants into interest bearing escrow accounts on May 30, 2007. Pursuant to the PwC Settlement, \$225,000,000 was deposited into separate, interest bearing escrow accounts on July 20, 2007. The Settlement, if approved, will result in the dismissal of the Complaint as against the Settling Defendants and the release by all Class Members of all the Released Claims against the Tyco Settling Defendants' Releasees and the PwC Releasees, as defined above in Answer to Question No. 2. Because the claims in this Action subsume claims brought in other Related Actions (listed on Exhibit A-1(b) hereto), the parties in the Related Actions will dismiss those claims with prejudice as part of this Settlement.

As part of the Tyco Settlement, the Class has assigned the Officer Assigned Claims to Tyco to litigate in its sole discretion. In exchange, fifty percent (50%) of any net recovery collected by Tyco in pursuing both its own claims against these Non-Settling Defendants and the Officer Assigned Claims, after first deducting: (i) any recovery by these Non-Settling Defendants against Tyco, by way of counterclaim or offset, and (ii) an amount equal to actual attorneys' fees and expenses incurred by Tyco in pursuing such claims, with such fees and expenses capped at 20% of any recovery resulting from the Officer Assigned Claims, shall be added to the Settlement Fund. While the Class Representatives expect that the Officer Assigned Claims will result in additional recoveries to be added to the Settlement Fund, no guarantees can be offered in this regard.

In addition, Tyco believes it has claims against PwC arising out of the facts alleged in the Complaint ("Tyco Claims"). As part of the Tyco Settlement, Tyco shall undertake to preserve the Tyco Claims and in the event that PwC terminates the PwC Settlement, Tyco shall assign the Tyco Claims to the Class, net of any recoveries of PwC on cross-claims or counterclaims against Tyco. Tyco has not warranted that the Tyco Claims are assignable or as to the value of said claims. PwC denies that the Tyco Claims can now be brought or that Tyco may assign such claims.

Subject to Tyco and PwC not exercising their separate options to terminate their portion of the Settlement in the event that certain termination thresholds are met by virtue of Class Members excluding themselves from the Settlement, the entire Settlement Fund, including interest, less taxes on the interest, and the proceeds, if any, of the additional consideration, and less attorneys' fees and other costs awarded by the Court ("Net Settlement Fund") will be distributed to the Class Members who submit valid Proof of Claim forms before the December 28, 2007 deadline.

In the event that Tyco exercises its termination option, but PwC does not, the Settlement shall proceed solely with respect to PwC and the Tyco Settling Defendants shall become Non-Settling Defendants, the portion of the Settlement Fund contributed by Tyco that has not been utilized to pay for Notice and Administration expenses, inclusive of interest, shall be returned to Tyco, the litigation shall continue against the Non-Settling Defendants, including the former Tyco Settling Defendants and the remaining Net Settlement Fund shall be distributed in accordance with the Plan of Allocation.

Similarly, in the event that PwC exercises its termination option, but Tyco does not, the Settlement shall proceed solely with respect to the Tyco Settling Defendants and PwC shall become a Non-Settling Defendant, the portion of the Settlement Fund contributed by PwC, inclusive of interest, shall be returned to PwC, the litigation shall continue against the Non-Settling Defendants, including PwC and the remaining Net Settlement Fund shall be distributed in accordance with the Plan of Allocation.

The Net Settlement Fund will be distributed in accordance with the provisions of the Plan of Allocation, which is explained below in the Answer to Question No. 9, to the Class Members who file timely and valid Proof of Claim forms following the procedures set forth in this Notice and on the Proof of Claim form.

9. How much will my payment be?

Your share of the Net Settlement Fund (subject to a *de minimis* provision) will depend on the number of valid claim forms that Class Members submit, how many Tyco Securities you bought during the Class Period, and when you bought and /or sold (or whether you retained) any such Tyco Securities.

Here is how it works:

- Co-Lead Counsel and their expert consultants have prepared a Plan of Allocation that provides instructions for the Claims Administrator to determine each Class Member's proportionate share of the Net Settlement Fund.
- The Plan of Allocation provides a mathematical formula for determining the amount of money or "Recognized Claim" that will be paid to "Authorized Claimants" with respect to each type of Tyco Securities.
- The mathematical formula used is based in part on the Class' contention of the alleged artificial inflation in the prices of Tyco Securities and attempts to approximate the overall amount of damages that a Class Member might have received had the Action gone to trial and the Class prevailed, and then utilize that figure as a basis for weighing the claims of one class member against another for purposes of determining an appropriate methodology for dividing up the Net Settlement Fund among Class Members.
- To calculate whether you had a net gain or net loss on your transactions in Tyco Securities, four factors are considered: (1) the price you paid for the stock, note or option; (2) the price at which you sold the stock, note or option (or the price at the end of the Class Period if you did not sell); (3) the amount by which Class Representatives' experts have determined the stock, note or option was, in their view, "inflated" on the date of your purchase; and (4) the amount by which Class Representatives' experts have determined the stock, note or option was, in their view, "inflated" on the date of your sale (that number is \$0 if you did not sell by the end of the Class period).
- Because you are entitled to make a claim only for losses on Tyco Securities that you may have incurred due to the alleged fraud, you have a claim for either (a) the change in inflation between your purchase and sale dates (or the end of the Class period if you did not sell) or (b) the amount you actually lost, whichever is less.
- The Plan of Allocation, which is attached to this Notice as Exhibit A, provides a detailed explanation of how this method works. The Estimated Inflation Tables for each Tyco Security are available at www.tycoclasssettlement.com.
- The Class Representatives will share in the Net Settlement Fund on the same basis and to the same extent as all other Authorized Claimants.
- Each valid claim will be allocated a proportionate share of the Net Settlement Fund based on the Authorized Claimant's Recognized Claim compared to the Total Recognized Claims of all Class Members who submit valid Proof of Claim forms.
- Class Members who do not file valid and timely Proof of Claim forms including the individual releases for those Class Members who purchased one thousand (1000) or more shares of Tyco common stock during the Class Period, will not share in the Net Settlement Fund.
- Class Members who exclude themselves from the Class will not share in the Net Settlement Fund.
- Distributions will not be sent to authorized claimants until after the Fairness Hearing, after all claims have been processed and after the Settlement has become effective in accordance with its terms. It takes a significant amount of time for these events to occur and thus, payments will not be sent until this process is fully completed and approved by the Court.
- No distribution will be made to any Class Member who would receive \$10.00 or less (*de minimus* provision).

- In the event that there are un-cashed distribution checks, after efforts authorized by the Court have been made to locate authorized claimants, subsequent redistributions will be calculated and paid to any Authorized Claimant who would receive more than \$10.00 until such time as re-distributions are no longer economically viable. At that time, the remaining funds will be donated to certain non-profit 501(c)(3) entities to be designated by Co-Lead Counsel with the consent of Tyco and PwC.
- Class Representatives estimate that, if all Class Members make a claim, the average payment will be \$1.474 per share of Tyco common stock, taking into consideration the relative payment that will be made to purchasers of Tyco Notes (approximately 8% of the total Settlement Fund) during the Class Period. Of these amounts, fees and expenses will be requested of up to \$0.30 per share of Tyco common stock outstanding as of the last day of the Class Period. **Please note that the amounts are only estimates.**
- The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class Member, or a settlement with a person or entity requesting exclusion from the Class.

If you have questions about the tax consequences of participating in the Settlement, you should consult with your own tax advisor.

10. How can I get a payment?

To qualify for a settlement payment, you **must** send in a claim form. A claim form is attached to this Notice. You also may get a claim form on the Internet at www.tycoclasssettlement.com or by calling the Claims Administrator. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign the form, and mail it postmarked no later than December 28, 2007. Please note that all claim forms must be signed and returned to the Claims Administrator by the above date in order to receive any payment from the Net Settlement Fund. Class Members who purchased more than one thousand (1000) shares of stock must also execute an individual release included in the Proof of Claim form in order to receive a settlement payment.

11. When would I get my payment?

Payment to Class Members is contingent on the Court's approval of the Settlement Agreement and on such approval becoming final and no longer subject to any appeals to any court. If Judge Barbadoro approves the Settlement there still might be appeals. Appeals, if any, will take time, perhaps more than a year.

The Net Settlement Fund will be distributed by the Claims Administrator as soon as possible after final approval has been obtained for the Settlement (which includes exhaustion of any appeals). As noted above, the resolution of any appeal of the final approval may take several years. In addition, processing of the Proofs of Claim requires significant time to complete.

Everyone who sends in a claim form can receive information about the progress of the Settlement by visiting the website at www.tycoclasssettlement.com, or by calling 1-888-326-8965 or writing to: Tyco International Ltd. Securities Litigation Settlement, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9156 Dublin, OH 43017-4156.

12. What is the effect of my remaining in the Class?

Unless you exclude yourself from the Settlement, you will be a Class Member and will be bound by all orders and judgments entered by the Court regarding the Settlement. If the Settlement is approved, you will not be able to sue, continue to sue, or be part of any other lawsuit or arbitration against any of the Tyco Settling Defendants' Releasees or the PwC Releasees concerning any of the Released Claims. You will be bound by the Release whether or not you submit a Proof of Claim form and/or receive a payment under the Settlement.

13. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re Tyco International Ltd. Securities Litigation Settlement*. If you wish to exclude yourself from the Class, be sure to include your name, address, telephone number, and signature, and mail your exclusion request postmarked no later than September 28, 2007 to:

Tyco International Ltd. Securities Litigation Settlement
c/o The Garden City Group, Inc.
Exclusions
Claims Administrator
P.O. Box 9199
Dublin, OH 43017-4199

Requests for exclusion should also list the amount and type of all Tyco Securities purchased, otherwise acquired, or sold during the Class Period, the prices paid or received, the date of each transaction and the amount or number of Tyco Securities held as of the beginning of the Class Period on December 13, 1999.

You cannot exclude yourself on the website, by telephone or by e-mail. **If you do not follow these procedures – including meeting the date for exclusion set out above – you will not be excluded from the Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement.** You must exclude yourself even if you already have a pending case against any of the Tyco Settling Defendants' Releasees or the PwC Releasees based upon any Released Claims.

If you ask to be excluded, you will not receive a Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You will also not participate in any recovery resulting from the Officer Assigned Claims or the Tyco Claims.

14. If I don't exclude myself from the Settlement in connection with the Action, can I sue the Tyco Settling Defendants Releasees or the PwC Releasees for the same thing later?

No. Unless you exclude yourself from the Settlement in connection with the Action, you give up any right to sue any or all of the Tyco Settling Defendants' Releasees or the PwC Releasees for any Released Claims. If you have a pending lawsuit or arbitration against Tyco or any of its officers and directors or any other Tyco Settling Defendants' Releasees or PwC Releasees, speak to the lawyer representing you in that case immediately. You must exclude yourself from this Class to continue your own lawsuit or arbitration against any of the Tyco Settling Defendants' Releasees or any PwC Releasee. Remember, your request for exclusion must be postmarked no later than September 28, 2007.

15. If I exclude myself, can I get money from this Settlement in connection with the Action?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for money in connection with the Action. If you exclude yourself from the Class, you may be able to sue, continue to sue, or be part of a different lawsuit or arbitration against the Tyco Settling Defendants' Releasees or the PwC Releasees.

The Lawyers Representing You

16. Do I have a lawyer in the case?

The Court has appointed the law firms of Grant & Eisenhofer P.A., Milberg Weiss LLP,² and Schiffrin Barroway Topaz & Kessler, LLP to represent the Class Representatives and all other Class Members in the Action. These lawyers are called Class Representatives' Co-Lead Counsel. You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Co-Lead Counsel intend to seek an award of attorneys' fees of up to 17.5% of the gross Settlement Fund. Co-Lead Counsel have been litigating this case for the past five years without any payment whatsoever. In addition, with respect to the Related Actions that have been litigated in state courts in Illinois and Florida, Co-Lead Counsel will be responsible for paying any attorneys' fees to lead counsel who brought those actions out of any award of attorneys' fees granted by the Court. At the final hearing, Co-Lead Counsel will also seek reimbursement of the expenses incurred in connection with the prosecution of this Action and the Related Actions, which amount will not exceed \$40 million.

Objecting to the Settlement, Plan of Allocation or the Attorneys Fees

If you do not exclude yourself from the Class, you can tell the Court that you do not agree with the Settlement or some part of it, the Plan of Allocation, or the attorneys' fees and expenses Co-Lead Counsel intend to seek.

18. How do I tell the Court that I don't like the Settlement?

If you are a Class Member and you do not exclude yourself, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve the Settlement, Plan of Allocation, or request for attorneys' fees and reimbursement of expenses. To object, you must send a letter or other filing saying that you object to the proposed Settlement in *In re Tyco International Ltd. Securities Litigation*, MDL Docket No. 02 Civ. 1335 (PB), Civil Action No. 02-266-PB. Be sure to include your

² On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss LLP and two of its partners were named as defendants in an indictment. The indictment alleges that, in certain cases which are identified in the indictment, portions of attorneys' fees awarded to Milberg Weiss LLP were improperly shared with certain plaintiffs. Milberg Weiss LLP pleaded not guilty. The indictment does not refer to this action, and makes no allegations of any impropriety in the conduct of this action.

name, address, telephone number, signature, and the reasons you object. Your written objection must be served on one of the Co-Lead Counsel and one of the Defendants' Counsel listed below and must be received by them no later than September 28, 2007:

Class Representatives Co-Lead Counsel

Jay W. Eisenhofer, Esq.
Grant & Eisenhofer P.A.
Chase Manhattan Centre
Suite 2100
1201 N. Market Street
Wilmington, DE 19801

Sanford P. Dumain, Esq.
Milberg Weiss LLP
One Pennsylvania Plaza
New York, NY 10119

Richard S. Schiffrin, Esq.
Schiffrin Barroway Topaz & Kessler, LLP
280 King of Prussia Road
Radnor, PA 19087

Settling Defendants Counsel

On behalf of Tyco International Ltd.

Ann M. Galvani, Esq.
Boies, Schiller & Flexner LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022

Jeffrey A. Hall, Esq.
Bartlit Beck Herman Palenchar & Scott LLP
Courthouse Place, Suite 300
54 W. Hubbard
Chicago, IL 60610

On behalf of Ashcroft

Gregory A. Markel, Esq.
Douglas Koff, Esq.
Cadwalader Wickersham & Taft LLP
One World Financial Center
New York, NY 10281

On behalf of Belnick

William T. Hassler, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036

On behalf of PwC

Michael P. Carroll, Esq.
Davis Polk & Wardwell
450 Lexington Ave.
New York, NY 10017

You must also file your objection with the clerk of the United States District Court for the District of New Hampshire. The address is: Clerk of the U.S. District Court for the District of New Hampshire, United States Courthouse, Warren B. Rudman U.S. Courthouse, 55 Pleasant Street, Room 110, Concord, NH 03301-3941. The Clerk **must** receive your objection no later than September 28, 2007.

19. What s the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Class Member. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself from the Class, you have no basis to object, because the Settlement no longer affects you. If you do not exclude yourself from the Settlement, you will remain a member of the Class and will be bound by the terms of the Settlement Agreement (including the Release) and all orders and judgments entered by the Court regarding the Settlement regardless of whether the Court accepts or denies your objection.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Hearing on November 2, 2007 at the United States District Court for the District of New Hampshire, Warren B. Rudman U.S. Courthouse, 55 Pleasant Street, Concord, New Hampshire in the 3rd Floor Courtroom. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. After the Final Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. The Court will also rule on the motions for attorneys' fees and expenses. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Co-Lead Counsel will answer any questions the Court might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but attendance is not necessary.

22. May I speak at the hearing?

If you are a Class Member who has not requested to be excluded from the Class, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Tyco International Ltd. Securities Litigation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the counsel listed above no later than September 28, 2007 and must be filed with the Clerk of the Court at the address in the Answer to Question No. 18. You cannot speak at the Fairness Hearing if you exclude yourself from the Settlement.

If You Do Nothing

23. What happens if I do nothing at all?

If you do nothing and you are a Class Member, you will not receive any payment in connection with the Settlement. However, you will still be bound by the Settlement. Even if you receive no payment, you will not be able to start a lawsuit or arbitration, continue a lawsuit or arbitration, or be part of any other lawsuit or arbitration against any of the Tyco Settling Defendants' Releasees or PwC Releasees based on any Released Claims unless you exclude yourself.

Getting More Information

24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. The complete Settlement is set out in the Settlement Agreement. You may obtain copies of the Settlement Agreement from the website for free at www.tycoclasssettlement.com or you may request copies by writing to Tyco International Ltd. Securities Litigation Settlement, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9156, Dublin, OH 43017-4156. There may be a charge for copying and mailing the Settlement Agreement. The Settlement Agreement is also filed in the *In re Tyco International Ltd. Securities Litigation*, Civil Action No. 02-266-PB with the Clerk of the U.S. District Court for the District of New Hampshire, United States Courthouse, Warren B. Rudman U.S. Courthouse, 55 Pleasant Street, Room 110, Concord, NH 03301-3941 and may be obtained from the Clerk's office directly. Further information regarding the Action and this Notice may be obtained by contacting Co-Lead Counsel:

Jay W. Eisenhofer, Esq.
Grant & Eisenhofer P.A.
Chase Manhattan Centre,
Suite 2100
1201 N. Market Street
Wilmington, DE 19801

Richard S. Schiffrin, Esq.
Schiffrin Barroway Topaz & Kessler, LLP
280 King of Prussia Road
Radnor, PA 19087

Sanford P. Dumain, Esq.
Milberg Weiss LLP
One Pennsylvania Plaza
New York, NY 10119

25. How do I get more information?

You can visit the website at www.tycoclasssettlement.com, where you will find answers to common questions about the Settlement, the claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for payment. You can also call 1-888-326-8965 toll free or write to the Claims Administrator at Tyco International Ltd. Securities Litigation Settlement, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9156, Dublin, OH 43017-4156.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

The Court has ordered that if you purchased or otherwise acquired Tyco Securities or sold Tyco put options during the Class Period as nominee for a beneficial owner, then within ten (10) calendar days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Claims Administrator so that the Claims Administrator can provide them with a copy of this Notice and a Proof of Claim.

EXHIBIT A

TYCO SECURITIES PLAN OF ALLOCATION

1. The \$3,200,000,000 Total Cash Settlement Amount,¹ less all taxes, approved costs, fees and expenses (the "Distribution Amount") shall be distributed to Class Members (or the representative of such Class Members including, without limitation, agents, administrators, executors, heirs, predecessors, successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b) and assigns) who submit a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe that are allowed by the Court ("Authorized Claimants").

2. The following proposed Plan of Allocation reflects the contention of the Settlement Class that because of misrepresentations and omissions about Tyco's financial condition and prospects, the prices of Tyco Securities were inflated artificially during the Class Period (December 13, 1999 through and including June 7, 2002).

3. The Settling Defendants have denied that they made any material misrepresentations or omitted to disclose any material information and further contend that even if liability were shown, the Class Members suffered no compensable damages, or that at most only a small percentage of the alleged artificial inflation could be attributed to the claims Plaintiffs asserted. The Settling Defendants assert that the prices of Tyco Securities were not inflated artificially during the Class Period and further contend that the decrease in the prices of Tyco Securities was explained and caused, in whole or substantial part, by other, non-actionable factors and causes outside of their control and not by any alleged fraud. For purposes of the proposed Plan of Allocation, the various schedules set forth in **Attachment A** annexed hereto or available on the internet at www.tycoclasssettlement.com or by request to the Claims Administrator, The Garden City Group, Inc., (one schedule for each Tyco Security referenced in this Plan), have been prepared listing the Class Representatives' contention of the Estimated Inflation per Tyco Security for each day of the Class Period (the "**Estimated Inflation**"). The formulas all utilize the Estimated Inflation amounts on the date of purchase and on the date of sale, if any, in the calculation of Recognized Claims.

4. The Court has not made any finding that the Settling Defendants are liable to the Class or that the Class has suffered any compensable damages, nor has the Court made any finding that the Estimated Inflation is an accurate measure of damages and if the Settlement is not approved, the Class Representatives are not bound by the Estimated Inflation amounts utilized in connection with this Plan of Allocation.

5. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Distribution Amount based upon each Authorized Claimant's "Recognized Claim" from transactions in Tyco Securities during the entire Class Period. **The Recognized Claim formulas set forth below are not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is the Recognized Claim an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.** The Recognized Claim formulas are the basis upon which the Distribution Amount will be proportionately allocated to the Authorized Claimants.

6. An Authorized Claimant's total "Recognized Claim" shall constitute the sum of such claimant's "Recognized Claims" for each of the classes of Tyco Securities set forth below:

A. Tyco Common Stock Purchases:

(i) For each share of Tyco common stock purchased or otherwise acquired² during the Class Period that an Authorized Claimant continued to hold as of the close of trading on June 7, 2002 (the end of the Class Period), the "Recognized Claim" shall be equal to the Estimated Inflation on the date of purchase of the Tyco common stock³;

(ii) For each share of Tyco common stock purchased or otherwise acquired during the Class Period, which an Authorized Claimant sold prior to the close of trading on June 7, 2002, the Recognized Claim shall be equal to **the lesser of**⁴ (a) the difference between (x) the Estimated Inflation on the date of purchase of the share of Tyco common stock and (y) the Estimated Inflation on the date of sale of the share of Tyco common stock (as shown on Attachment A), **or** (b) the difference between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.), but, in any event, where the Estimated Inflation on the date of purchase of the share of Tyco common stock is less than

¹ Capitalized terms not otherwise defined in this Plan of Allocation shall have the same meaning ascribed to them in the Settlement Agreement.

² Tyco Securities acquired as gifts, or as employee compensation, are not eligible transactions unless a recipient of a gift of Tyco Securities can trace the gifted securities to a purchase during the Class Period by the Donor. In such a case, the recipient may make a claim based on the Donor's purchase, unless the Donor also makes a claim on that purchase. In cases where both the Donor and the Gift Recipient both submit claims for the same securities the Donor's claim will be processed and the Gift Recipient shall be rejected. Tyco Securities acquired in exchange for securities of another company shall have a purchase price based on the fair value of the securities surrendered just prior to the exchange.

³ The tables setting forth the Estimated Inflation per share on a daily basis during the Class Period for each Tyco Security referenced in this plan are set forth under the name of such Tyco Security in Attachment A hereto or available on the internet at www.tycoclasssettlement.com or can be obtained from the Claims Administrator, The Garden City Group, Inc., upon request.

⁴As applied to loss figures herein, "lesser of" is the number closer to zero. Thus, for example, comparing a loss of \$5.00 to a loss of \$10.00, the \$5.00 loss is the lesser loss. As applied to loss figures here, a "negative loss," i.e. a gain (purchase inflation less than sale inflation or purchase price less than sale price), is "less" than any situation where there is a loss.

or equal to the Estimated Inflation on the date of sale of the share of Tyco common stock, or where the purchase price paid (including commissions etc.) is less than the proceeds received on sale (net of commissions etc.), the Recognized Claim shall be \$.01 per share ("Minimum Recognized Claim Per Share");

(iii) The Recognized Claim for shares of Tyco common stock obtained directly as a result of: (a) the October 17, 2000 Mallinckrodt acquisition; (b) the December 1, 2000 CIGI acquisition; (c) the December 1, 2000 InnerDyne acquisition; (d) the May 3, 2001 Scott acquisition; (e) the June 1, 2001 CIT acquisition; (f) the November 14, 2001 Sensormatic acquisition; or (g) the December 18, 2001 Tycom Amalgamation, otherwise calculated in accordance with paragraph 6.A.(ii) hereof, shall be multiplied by one hundred and ten percent (110%). In order to have "obtained directly" such shares of Tyco common stock, an Authorized Claimant must have exchanged shares of the aforementioned companies in connection with Tyco's acquisition of those companies. The Estimated Inflation per share of Tyco common stock acquired in the above exchanges shall be the amount of Estimated Inflation on the above-indicated dates of such acquisitions, and as reflected in the Estimated Inflation Tables.

(iv) The Recognized Claim for shares of Tyco common stock acquired in Tyco's June 6, 2001 secondary public offering of Tyco common stock ("SPO"), otherwise calculated in accordance with paragraph 6.A.(ii) hereof, shall be multiplied by one hundred and ten percent (110%). To have "acquired in" Tyco's SPO, an Authorized Claimant must have paid \$56.36 per share on June 6, 2001 and not paid any commissions on that purchase of Tyco common stock. The Estimated Inflation per share of Tyco common stock acquired in the June 6, 2001 secondary public offering is \$8.06 per share.

B. Notes Issued During The Class Period

(i) The following notes and/or debentures were issued during the Class Period and are collectively referred to herein as the "Class Period Notes":

- a. Tyco Zero Coupon, Expiration 11/2020
- b. Tyco Zero Coupon, Expiration 02/2021
- c. Tyco 6.375% Coupon, Expiration 10/2011
- d. Tyco 6.375% Coupon, Expiration 02/2006
- e. Tyco 6.75% Coupon, Expiration 02/2011
- f. Tyco 6.875% Coupon, Expiration 09/2002
- g. Tyco 5.8% Coupon, Expiration 08/2006
- h. Tyco 5.5% Coupon, Expiration 11/2008 (EUR)
- i. Tyco 4.95% Coupon, Expiration 08/2003
- j. Tyco 6.125% Coupon, Expiration 04/2007 (EUR)
- k. Tyco Floating Rate, Expiration 07/2003
- l. Tyco 4.375% Coupon, Expiration 11/2004 (EUR)
- m. Tyco 6.5% Coupon, Expiration 11/2031 (GBP)
- n. Tyco 6.5% Coupon, Expiration 11/2011 (GBP)

(ii) For each Class Period Note purchased or otherwise acquired during the Class Period which an Authorized Claimant continued to hold as of the close of trading on June 7, 2002 (the end of the Class Period), the "Recognized Claim" shall be equal to "The Estimated Percentage Inflation Per Note" on the date of purchase of the Class Period Note multiplied by the purchase price paid for the Note and further multiplied by one hundred and six percent (106%)⁵;

(iii) For each Class Period Note purchased or otherwise acquired during the Class Period which an Authorized Claimant sold prior to the close of trading on June 7, 2002, the Recognized Claim shall be equal to one hundred and six percent (106%) multiplied by *the lesser of* (a) the difference between (x) the Estimated Percentage Inflation Per Note multiplied by the purchase price paid on the date of purchase of the Class Period Note and (y) the Estimated Percentage Inflation Per Note multiplied by sale price received on the date of sale, *or* (b) the difference between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.), but, in any event, where Estimated Percentage Inflation on the date of purchase of the Class Period Note is less than or equal to the Estimated Percentage Inflation on the date of sale of the Class Period Note *or* the purchase price paid (including commissions etc.) is less than or equal to the proceeds received on sale (net of commissions etc.), the Recognized Claim shall be \$0.25 per note ("Minimum Recognized Claim Per Note");

C. Pre-Class Period Notes:

(i) The following notes and/or debentures were issued prior to the Class Period, but were available for purchase during the Class Period and thus, will be accounted for in this Plan of Allocation (collectively the "Pre-Class Period Notes"):

- a. 6.875% public notes due 2002
- b. 6.875% public notes due 2029
- c. 6.25% public Dealer Remarketable Securities due 2013

⁵ Copies of the tables setting forth "The Estimated Percentage Inflation Per Note" for each respective Class Period Note during the Class Period are set forth under the name of each such Note at Attachment A hereto, are available on the Internet (at www.tycooclasssettlement.com), and may also be obtained by request to the Claims Administrator, The Garden City Group, Inc.

- d. 6.125% public notes due 2001
- e. 6.375% public notes due 2005
- f. Floating rate private placement notes due 2000
- g. Floating rate private placement notes due 2001
- h. 7.0% public notes due 2028
- i. 7.2% notes due 2008
- j. 5.875% public notes due 2004
- k. 6.125% public notes due 2008
- l. 6.125% public notes due 2009
- m. 6.5% public notes due 2001
- n. 6.375% public notes due 2004
- o. 0.57% Yen denominated private placement notes due 2000
- p. 8.0% public debentures due 2023
- q. Zero coupon Liquid Yield Option Notes due 2010
- r. 9.5% public debentures due 2022
- s. 8.125% public notes due 1999
- t. 8.25% senior notes due 2000
- u. 7.25% senior notes due 2008

(ii) For each Pre-Class Period Note purchased or otherwise acquired during the Class Period which an Authorized Claimant continued to hold as of the close of trading on June 7, 2002 (the end of the Class Period), the "Recognized Claim" shall be equal to "The Estimated Percentage Inflation Per Note" on the date of purchase of the Pre-Class Period Note multiplied by the purchase price paid for the Note;⁶

(iii) For each Pre-Class Period Note purchased or otherwise acquired during the Class Period which an Authorized Claimant sold prior to the close of trading on June 7, 2002, the Recognized Claim shall be equal to *the lesser of* (a) the difference between (x) the Estimated Percentage Inflation Per Note multiplied by the purchase price paid on the date of purchase of the Pre-Class Period Note and (y) the Estimated Percentage Inflation Per Note multiplied by sale price received on the date of sale, *or* (b) the difference between (x) the purchase price paid (including commissions etc.) and (y) the proceeds received on sale (net of commissions etc.), but, in any event, where Estimated Percentage Inflation on the date of purchase of the Pre-Class Period Note is less than or equal to the Estimated Percentage Inflation on the date of sale of the Pre-Class Period Note *or* the purchase price paid (including commissions etc.) is less than or equal to the proceeds received on sale (net of commissions etc.), the Recognized Claim shall be \$0.25 per note, the Minimum Recognized Claim Per Note;

D. Tyco Call Options

(i) The Recognized Claim for each call option contract on Tyco common stock purchased or otherwise acquired during the Class Period shall be **twenty-five percent (25%)⁷ of the lesser of (x)** the Estimated Inflation per share for all shares covered by the call option contract on the date the call option was purchased, less, if sold, the Estimated Inflation per share for all shares covered by the call option contract on the date the call option was sold, **or (y)** the difference between: (a) the amount paid per call option contract and: (b) the sale price received per option contract received when said call options were subsequently sold (if the option expired worthless while still owned by the Authorized Claimant, the sales price shall be deemed to be Zero (\$0.00));

(ii) Shares of Tyco common stock acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Recognized Claim arising from such transaction shall be computed as provided for other purchases of Tyco common stock as set forth herein;

(iii) No Recognized Claim shall be calculated based upon the sale or writing of any call option that was subsequently repurchased.

E. Tyco Put Options

(i) The Recognized Claim for each put option contract on Tyco common stock sold or written during the Class Period, shall be **fifty percent (50%) of the lesser of (x)** the Estimated Inflation per share for all shares covered by the put option contract on the date the claimant sold or wrote the put contract, **or (y)** difference between: (a) the amount received per put option contract and (b) the purchase price paid per put option contract when said put options were subsequently

⁶ Copies of the tables setting forth "The Estimated Percentage Inflation Per Note" for each respective Pre-Class Period Note during the Class Period are set forth under the name of each such Note at Attachment A hereto, are available on the Internet (at www.tycoclasssettlement.com), and may also be obtained by request to the Claims Administrator, The Garden City Group, Inc.

⁷ Losses from transactions in call options are discounted (i) because the purchase of a call option includes a time premium which is a wasting asset that the purchaser pays that will evaporate even if the stock price remains the same, and (ii) because the expected additional volatility of such derivative securities, makes it more difficult to prove that losses on such securities are causally related to the alleged wrongdoing, as opposed to non-actionable causes.

repurchased at any time (including after the Class Period). For put options sold or written during the Class Period that expired worthless and unexercised, the Authorized Claimant's Recognized Claim shall be Zero (\$0.00);

(ii) For Tyco put options that were sold or written during the Class Period, that were "put" to the Authorized Claimant (i.e. exercised) at any time, the Authorized Claimant's Recognized Claim shall be calculated as a purchase of Tyco common stock as shown herein, and as if the sale of the put option were instead a purchase of Tyco common stock on the date of the sale or writing of the put option, and the "purchase price paid" shall be the strike price of the put option less the proceeds received from the sale of the put option;

(iii) No Recognized Claim shall be calculated based upon the sale of any put option that was previously purchased.

F. Other Instructions and Guidelines Applicable to All Recognized Claims and Classes of Tyco Securities

(i) For Class Members who held Tyco Securities before the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a Recognized Claim. Under the FIFO method, for each Tyco Security, each sale of that Tyco Security during the Class Period will be matched, in chronological order, first against that Tyco Security held at the beginning of the Class Period. Such holdings and sales will be included in the calculation of Recognized Claim as described above. For each Tyco Security, the remaining sales of such Tyco Security during the Class Period will then be matched, in chronological order, against purchases of such Tyco Securities during the Class Period.

(ii) A purchase or sale of Tyco Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of Tyco Securities during the Class Period shall not be deemed a purchase, acquisition, disposition or sale of Tyco Securities for the calculation of a Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such securities unless specifically provided in the instrument of gift or assignment.

(iii) Each Authorized Claimant shall be allocated a *pro rata* share of the Distribution Amount based on his, her or its Recognized Claim compared to the Total Recognized Claims of all Authorized Claimants. Each Authorized Claimant shall be paid an amount determined by multiplying the Distribution Amount by a fraction the numerator of which shall be his, her or its "Recognized Claim" and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants.

(iv) The total recovery payable to Authorized Claimants from transactions in call or put options shall not exceed one percent (1%) of the Distribution Amount.

(v) Class Members who do not file acceptable Proofs of Claim will not share in the Distribution Amount. Class Members who do not submit an acceptable Proof of Claim will nevertheless be bound by the Tyco Settlement and Final Judgment of the Court dismissing this Action.

(vi) Bank drafts will be distributed to Authorized Claimants after the Effective Date of the Settlement and after all claims have been processed. To the extent that any monies remain in the Cash Settlement Accounts after the Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of un-cashed distributions or otherwise, then, after the Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Cash Settlement Accounts one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Cash Settlement Accounts for such re-distribution. If six months after such re-distribution, funds remain in the Cash Settlement Accounts, then such funds shall be further re-distributed to Authorized Claimants who have cashed their most recent re-distribution and who would receive at least \$10.00 from such further re-distribution, after payment of any unpaid costs or fees incurred in administering the Cash Settlement Accounts for such re-distribution. The redistributions shall continue until it becomes economically unfeasible to continue re-distributions based upon the costs associated with such re-distributions, after which such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) to be designated by Co-Lead Counsel with the consent of Tyco and PwC, such consent not to be unreasonably withheld.

(vii) No distributions or redistributions shall be made to any Authorized Claimant who would receive \$10.00 or less based on the initial allocation of the Distribution Amount.

(viii) The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

EXHIBIT B

TYCO RELATED ACTIONS AND PwC RELATED ACTIONS

The PwC Related Actions are as follows:

1. Jim Myers v. Tyco International, CA 02-15009 AF (Palm Beach Co. Circuit Court, Fla.);
2. Ray Rappold v. Tyco International, CA 02-15008 AI (Palm Beach Co. Circuit Court, Fla.); and
3. H. George Mandel v. Tyco International, CA 03-0295 AB (Palm Beach Co. Circuit Court, Fla.).

The Tyco Related Actions are as follows:

1. Williams, et al. v. Tyco International, et al., 1:02-cv-00266-PB (D.N.H.);
2. Brazen v. Tyco International, et al., 02-CH-11837 (Cook County, Ill.);
3. Philip Cirella v. Tyco International, 1:03-cv-01348-PB (D.N.H.);
4. Jim Myers v. Tyco International, CA 02-015009 AB (Palm Beach Co. Circuit Court, Fla.);
5. Irving Goldfarb v. Tyco International, CA 02-015007 AB (Palm Beach Co. Circuit Court, Fla.);
6. Ray Rappold v. Tyco International, CA 02-015008 AB (Palm Beach Co. Circuit Court, Fla.);
7. H. George Mandel v. Tyco International, CA 03-000295 AB (Palm Beach Co. Circuit Court, Fla.);
8. Schuldt Ltd. Partnership v. Tyco International, CA 02-013887 AB (Palm Beach Co. Circuit Court, Fla.);
9. Abowitz v. Tyco International, 02-CV-1033 (S.D.N.Y.);
10. Ament v. Tyco International, 02-CV-3402 (S.D.N.Y.);
11. Brody v. Tyco International, 02-CV-2190 (S.D.N.Y.);
12. Carlin v. Tyco International, 02-CV-0878 (S.D.N.Y.);
13. Casey v. Tyco International, 02-80164 (S.D. Fla.);
14. Chambers v. Tyco International, 02-CV-2607 (S.D.N.Y.);
15. Danforth v. Tyco International, 02-1365-B (S.D. Fla.);
16. Engel v. Tyco International, 02-CV-1150 (S.D.N.Y.);
17. Fagan v. Tyco International, 02-80118 (S.D. Fla.);
18. Fink v. Tyco International, 02-CV-2260 (S.D.N.Y.);
19. Fischbein v. Tyco International, 02-1364-B (S.D. Fla.);
20. Garcia v. Tyco International, 02-CV-1464 (S.D.N.Y.);
21. Goldstein v. Tyco International, 02-1034 (S.D.N.Y.);
22. Hoyt v. Tyco International, 02-780152 (S.D. Fla.);
23. Jaffee v. Tyco International, 02-21048 (S.D. Fla.);
24. Kelley v. Tyco International, 02-80120 (S.D. Fla.);
25. Leone v. Tyco International, 02-CV-2056 (S.D.N.Y.);
26. Lock v. Tyco International, 02-CV-2080 (S.D.N.Y.);
27. Meran v. Tyco International, 02-80189 (S.D. Fla.);
28. Murphy v. Tyco International, 02-CV-2356 (S.D.N.Y.);
29. Rappaport v. Tyco International, 02-CV-1393 (S.D.N.Y.);
30. Smith v. Tyco International, 02-CV-1288 (S.D.N.Y.); and
31. Sved v. Tyco International, 02-CV-1293 (S.D.N.Y.).