



**Compensation and Human Resources Committee Charter
Amended March 2004**

Tyco International



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Purpose

The Compensation and Human Resources Committee is appointed by the Board to:

- a. Review and approve compensation, benefits and HR policies and objectives;
- b. Determine whether the Company's officers, directors and employees are compensated in accordance with these policies and objectives; and
- c. Carry out the Board's responsibilities relating to compensation of the Company's executives. In addition, the Compensation and Human Resources Committee produces an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

Authority

The Compensation and Human Resources Committee has authority to take appropriate actions necessary to discharge its responsibilities. Such authority includes but is not limited to the power to:

- a. Retain outside counsel, accountants, outside advisors, consultants, or others to assist in the conduct of an investigation or as it determines appropriate, to advise or assist in the performance of its functions, with the Compensation and Human Resources Committee having the sole authority to retain and terminate consultants to assist in the evaluation of director, CEO or other senior executive compensation, including sole authority to approve such consultants' fees and other retention terms.
- b. Seek any information it requires from employees or external parties. Employees and external parties will be directed to cooperate and comply with the committee's requests.
- c. Meet with the senior internal auditor, company officers, external auditors, or outside counsel, as necessary.

Composition

The Compensation and Human Resources Committee shall have at least three members, each of whom shall meet the independence requirements, under the rules of the New York Stock Exchange. The Board, after due consideration of the recommendation of the Nominating and Governance Committee, shall appoint the members of the Compensation and Human Resources Committee, designate its chair, and prescribe the terms of its members.

Meetings

The Compensation and Human Resources Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Compensation and Human Resources Committee shall make regular reports to the Board with respect to its activities.

Responsibilities

Among its specific duties and responsibilities, the Compensation and Human Resources Committee shall:

1. Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees;



2. Assist the Board and senior management in establishing and implementing an executive compensation policy that:
 - a) supports the Company's overall strategy and objectives;
 - b) attracts and retains key executives;
 - c) links total compensation to defined performance; and
 - d) provides competitive total compensation opportunities at a reasonable cost while meeting the aforementioned goals.
3. Review and approve corporate goals and objectives relevant to the compensation of the Company's Chairman/CEO, evaluate the Chairman/CEO's performance in light of those goals and objectives, and recommend, for approval by the independent directors, the compensation of the Chairman/CEO based on this evaluation.
4. Together with the Nominating and Governance Committee, review annually with the Chairman/CEO the job performance of the Company's other senior executives. In addition, this Committee will recommend the compensation of the other senior executive officers. Senior executive officers include any Section 16 Officer and any other executive with a title of senior vice president or above or a recommended base salary of \$350,000 or higher.
5. Review and recommend any severance programs for senior executive officers, including change-of-control agreements.
6. Establish, in collaboration with the Nominating and Governance Committee, compensation for directors.
7. Monitor compliance by officers and directors with the Company's stock ownership guidelines.
8. Review and oversee the design, administration, participation, compliance, adequacy, competitiveness, internal equity, and cost effectiveness for the Company's broadly-applicable benefit programs, including, without limitation, defined benefit and contribution retirement plans; delegate administrative and other fiduciary functions to the appropriate fiduciary committee or officer, as appropriate; and review the Committee's findings, determinations and actions regarding the same with the Board as appropriate.
9. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
10. At least once a year, the committee will meet with the internal and/or external auditors and management to hear a report from the auditors on management and employee compliance with the compensation, incentive, severance, and other benefit programs and insider transaction policies under the Committee's jurisdiction.
11. Review the Company's human resources strategy and controls, including Sarbanes-Oxley Section 404 compliance, payroll and operational matters and performance and development review design without limitation across the Company.
12. Assess annually the Compensation and Human Resources Committee's and individual member's performance of the duties specified in this Charter and report its findings to the Board.
13. Annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board.
14. Produce an annual report on executive compensation for inclusion in the Company's Proxy Statement, in accordance with applicable rules and regulations.