

# GMI EXECUTIVE PAY SCORECARD<sup>SM</sup>

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

30 Jan 2012

## Covidien plc





COV NYSE

Medical Equipment / Supplies / Distribution

Market Capitalization USD:

\$21,760.76 mm

### CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less. 
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Jose E. Almeida**

**Age: 49**

**CEO Since: 2011**

|  | 2009                | 2010                | 2011                |
|--|---------------------|---------------------|---------------------|
| <b>Base Salary</b>   | \$1,220,808         | \$1,286,538         | \$1,143,462         |
| <b>Discretionary Bonus</b>   | \$0                 | \$0                 | \$0                 |
| <b>Annual Cash Incentive</b>                                       | \$2,009,735         | \$2,366,000         | \$1,891,252         |
| <b>Benefits and Perquisites</b>                                    | \$761,917           | \$731,292           | \$7,882,732         |
| <b>TOTAL ANNUAL COMPENSATION</b>                                   | <b>\$3,992,460</b>  | <b>\$4,383,830</b>  | <b>\$10,917,446</b> |
| <b>Increase in Post-Retirement Benefits</b>                        | \$6,900             | \$1,598             | \$1,091             |
| <b>Stock Option Awards</b>   | \$2,913,745         | \$4,038,643         | \$4,184,185         |
| <b>Stock Awards</b>  | \$3,330,011         | \$4,425,028         | \$4,720,038         |
| <b>TOTAL COMPENSATION</b>  | <b>\$15,291,616</b> | <b>\$12,849,099</b> | <b>\$19,822,760</b> |
| <b>Median of Other Named Executive Officers Total Compensation</b> | \$2,847,914         | \$3,602,308         | \$4,781,294         |
| <b>Value Realized on Exercise of Stock Option</b>                  | \$0                 | \$43,476            | \$13,361,123        |
| <b>Value Realized on Vesting of Stock</b>                          | \$4,606,167         | \$3,453,894         | \$2,508,199         |
| <b>TOTAL REALIZED EQUITY COMPENSATION</b>                          | <b>\$4,606,167</b>  | <b>\$3,497,370</b>  | <b>\$15,869,322</b> |

Proxy Date: 24 Jan 2012

Annual Meeting Date: 13 Mar 2012

Equity Reserves: 10.27%

Stock Option Run Rate: 1.12%

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# Covidien plc

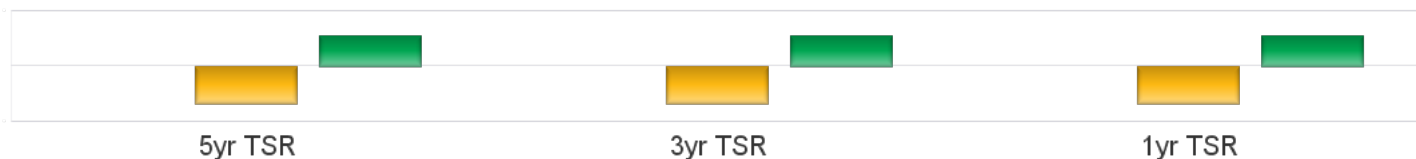
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## Performance Comparison

■ vs S&P500 ■ vs Industry ■ COV



## Peer Comparisons (TRBC) =Medical Equipment / Supplies / Distribution

### Total Summary CEO Compensation

| Ticker | Company Name                  | 2009         | 2010         | 2011         | Market Cap       |
|--------|-------------------------------|--------------|--------------|--------------|------------------|
| COV    | Covidien plc                  | \$15,291,616 | \$12,849,099 | \$19,822,760 | \$21,760,755,817 |
| BAX    | Baxter International Inc.     | \$14,361,305 | \$11,500,268 |              | \$31,901,916,766 |
| SYK    | Stryker Corporation           | \$3,911,994  | \$4,706,532  |              | \$18,327,807,886 |
| BDX    | Becton, Dickinson and Company | \$9,121,382  | \$10,005,022 | \$10,091,273 | \$16,588,865,340 |
| ZMH    | Zimmer Holdings, Inc.         | \$7,083,152  | \$9,555,210  |              | \$10,186,564,815 |
| BCR    | C.R. Bard, Inc.               | \$9,683,341  | \$10,122,138 |              | \$7,498,268,901  |

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Baxter International Inc., Becton, Dickinson & Company, Boston Scientific Corporation, Bristol-Myers Squibb Company, Eli Lilly & Company, Medtronic, Inc., St. Jude Medical, Inc., Stryker Corporation, Thermo Fisher Scientific, Inc., Zimmer Holdings, Inc.

### Performance Peer Group

Healthcare Industry Index comprised of 17 healthcare companies which generally replicate the Company's mix of businesses and includes all of the members of the peer group established by the Company for purposes of establishing fiscal 2011 compensation.

## COMPENSATION COMMITTEE MEMBERS

| Director           | Membership | Age | Gender | Tenure | Independence |
|--------------------|------------|-----|--------|--------|--------------|
| Timothy M. Donahue | Chairman   | 63  | Male   | 5      | Outside      |
| John M. Connors    | Member     | 69  | Male   | 5      | Outside      |
|                    |            |     |        |        |              |
|                    |            |     |        |        |              |
|                    |            |     |        |        |              |