

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

FÖRSTA AP-FONDEN AND DANSKE INVEST  
MANAGEMENT A/S, Individually and on Behalf of All  
Others Similarly Situated,

Plaintiffs,

v.

ST. JUDE MEDICAL, INC., DANIEL J. STARKS, JOHN  
C. HEINMILLER, ERIC S. FAIN, MICHAEL T.  
ROUSSEAU, and DONALD J. ZURBAY,

Defendants.

Civil No. 12-3070 (JNE/HB)

**CLASS ACTION**

**NOTICE OF (I) PROPOSED SETTLEMENT OF CLASS ACTION; (II) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES; AND (III) SETTLEMENT FAIRNESS HEARING**

**To: All persons and entities who purchased or otherwise acquired St. Jude Medical, Inc. ("St. Jude")<sup>1</sup> common stock during the period from February 5, 2010 through November 20, 2012, and who were damaged thereby (the "Class").**

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

**NOTICE OF SETTLEMENT:** Please be advised that the Court-appointed Class Representatives, Första AP-fonden and Danske Invest Management A/S, on behalf of themselves and the Court-certified Class (as described in ¶17 below), have reached a proposed settlement of the above-captioned securities class action lawsuit (the "Action") for a total of \$39,250,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").<sup>2</sup>

The purpose of this Notice is to inform you of the terms and conditions of the proposed Settlement and the hearing to be held by the Court to consider: (i) whether the Settlement should be approved; (ii) whether the proposed plan for allocating the proceeds of the Settlement to eligible members of the Class (as set forth in Appendix A hereto) should be approved; (iii) Class Counsel's application for attorneys' fees and expenses (as addressed on page 2 and at ¶29 below); and (iv) certain other matters.

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact St. Jude, any other Defendants in the Action, or their counsel. All questions should be directed to Class Counsel or the Claims Administrator.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM.</b>	The only way to be eligible to receive a payment from the Settlement Fund is to submit a Claim Form <b>postmarked no later than December 8, 2016.</b>
<b>OPT BACK INTO THE CLASS.</b>	If you previously submitted a request for exclusion from the Class in connection with the Class Notice (described herein), and now want to be part of the Class in order to be potentially eligible to receive a payment from the Settlement Fund, you may opt back into the Class. Your written request to withdraw your previously submitted request for exclusion must be <b>received no later than October 20, 2016.</b> If you previously requested exclusion from the Class and wish to remain excluded, no further action is necessary.
<b>OBJECT TO THE SETTLEMENT, PLAN OF ALLOCATION AND/OR ATTORNEYS' FEES AND EXPENSE REQUEST.</b>	If you want to object to the proposed Settlement, the proposed Plan of Allocation or the request for attorneys' fees and reimbursement of expenses, you must write to the Court and explain why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of expenses. Objections must be <b>received no later than October 20, 2016.</b>
<b>GO TO THE SETTLEMENT HEARING ON NOVEMBER 9, 2016 AT 10:00 A.M.</b>	If you want to appear in person and speak in Court at the scheduled hearing about the fairness of the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and reimbursement of expenses, you must submit a notice of intention to appear, along with your written objection. Notices of intention to appear must be <b>received no later than October 20, 2016.</b>
<b>DO NOTHING.</b>	If you are a Class Member and do nothing, you will not be eligible to receive any payment from the Settlement Fund, you will give up your rights to sue about the claims that are being resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

**The rights and options set forth above – and the deadlines to exercise them – are explained in this Notice.**

<sup>1</sup>At all relevant times, St. Jude common stock traded on the New York Stock Exchange under the ticker symbol "STJ."

<sup>2</sup>Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated July 7, 2016 (the "Stipulation"), which is available at [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com).

## SUMMARY OF SETTLEMENT NOTICE

- **Description of the Action and the Class:** This Action was brought by investors alleging, among other things, that St. Jude and certain of its officers – Daniel J. Starks, John C. Heinmiller, Eric S. Fain, Michael T. Rousseau and Donald J. Zurbay (the “Individual Defendants” and collectively with St. Jude, the “Defendants”) – violated the federal securities laws during the Class Period. Defendants vigorously denied and disputed Plaintiffs’ claims. A more detailed description of the Action is set forth in ¶¶6-16 below.

- **Statement of Plaintiffs’ Recovery:** Subject to Court approval, and as described more fully below, the Class Representatives, on behalf of themselves and the Class, have agreed to settle the Action in exchange for \$39,250,000 in cash (the “Cash Settlement Amount”), which has been deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Cash Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) after payments of all Notice and Administration Costs, Taxes, Tax Expenses, and any payment of reasonable costs and expenses to the Class Representatives awarded by the Court or Court-awarded attorneys’ fees and expenses to Plaintiffs’ Counsel) will be distributed to Class Members according to a Court-approved plan of allocation. The plan of allocation being proposed by the Class Representatives and Class Counsel (the “Plan of Allocation”) is set forth in Appendix A hereto. Based on the Class Representatives’ damages expert’s estimate of the number of shares of St. Jude common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before deduction of any Court-approved fees, expenses and costs (as described herein)) is \$0.078 per affected share of St. Jude common stock. **Class Members should note, however, that the foregoing average recovery per share is only an estimate.** Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their shares of St. Jude common stock, and the total number of valid Claim Forms submitted. Distributions to Class Members will be made based on the Plan of Allocation set forth herein (see Appendix A) or such other plan of allocation as may be approved by the Court.

- **Statement of Potential Outcome of Case:** The Parties do not agree on the average amount of damages per share of St. Jude common stock that would be recoverable if the Class Representatives were to prevail in the Action. The issues on which the Parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws, or any other laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate method for determining the amount by which the price of St. Jude’s common stock was allegedly artificially inflated (if at all) during the Class Period; (4) the amount by which the price of St. Jude’s common stock was allegedly artificially inflated (if at all) during the Class Period; (5) the extent to which external factors influenced the price of St. Jude’s common stock at various times during the Class Period; (6) the extent to which the various matters that Plaintiffs alleged were materially false or misleading, or the various allegedly adverse material facts that Plaintiffs alleged were omitted, influenced (if at all) the price of St. Jude’s common stock at various times during the Class Period; and (7) loss causation.

- **Attorneys’ Fees and Expenses Sought:** Court-appointed Class Counsel, Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”) and Motley Rice LLC (“Motley Rice”), which have been prosecuting the Action on a wholly contingent basis since its inception in 2012, have not received any payment of attorneys’ fees for their representation of the Class and have advanced the substantial expenses necessary to prosecute the Action. Class Counsel will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in an amount not to exceed 25% of the Settlement Amount, or \$9,812,500, plus any interest earned on this amount at the same rate as earned by the Settlement Fund. In addition, Class Counsel will apply for reimbursement of the expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against Defendants, in an amount not to exceed \$2.9 million, plus interest. Class Counsel’s application may also include a request for reimbursement to Class Representatives of their reasonable costs and expenses incurred in connection with their representation of the Class in an aggregate amount not to exceed \$20,000. If the Court approves Class Counsel’s fee and expense application, the estimated average cost per affected share of St. Jude common stock will be \$0.025. **Please note that this amount is only an estimate.**

- **Identification of Attorney Representatives:** The Class Representatives and the Class are represented by Gregory M. Castaldo, Esq. and Joshua E. D’Ancona, Esq. of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, [www.ktmc.com](http://www.ktmc.com), and Gregg S. Levin, Esq. and Joshua C. Littlejohn, Esq. of Motley Rice LLC, 28 Bridgeside Blvd., Mt. Pleasant, SC 29464, (843) 216-9000, [www.motleyrice.com](http://www.motleyrice.com).

- **Reasons for the Settlement:** The Class Representatives’ principal reason for entering into the Settlement is the substantial and immediate cash benefit for the Class without the risks or the delays inherent in further litigation. This benefit must be considered against the significant risk that a smaller recovery – or indeed, no recovery at all – might be achieved after contested motions, a trial of the Action and likely appeals that would follow a trial, a process that could be expected to last several years.

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**WHY DID I GET THIS NOTICE?**

1. This Notice is being sent to you pursuant to an Order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired St. Jude common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to understand how this class action lawsuit may affect your legal rights and to know about your options before the Court rules on the proposed Settlement. If the Court approves the Settlement, A.B. Data, Ltd. ("A.B. Data"), the claims administrator selected by the Class Representatives and approved by the Court, will distribute payments pursuant to the Settlement.

2. In a class action lawsuit, one or more people called the plaintiff(s) sue on behalf of people who have similar claims. All of the people with similar claims are referred to as a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class. The Court has found that the elements necessary for a class action are satisfied here. The Court certified this Action to proceed as a class action by Order dated December 22, 2015. Notice of the Pendency of this Action as a Class Action (the "Class Notice") was mailed to Class Period purchasers of St. Jude common stock and a related summary notice was published. The Court set a deadline of May 13, 2016 for any Class Member to request exclusion from the Class. No further exclusion requests are allowed. However, individuals or entities who previously requested exclusion in connection with the Class Notice may opt back in to the Class pursuant to this Notice (see ¶¶30-32 below).

3. The Court in charge of this Action is the United States District Court for the District of Minnesota, and the Action is known as Första AP-Fonden and Danske Invest Management A/S v. St. Jude Medical, Inc., et al., Civil No. 12-3070 (JNE/HB). The Judge presiding over the Action is The Honorable Joan N. Ericksen, United States District Judge. If the Settlement is approved, it will resolve all claims in the Action by Class Members against the Defendants.

4. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them and how to get them. The purpose of this Notice is to inform you that a settlement has been reached in this Action between the Class Representatives and Defendants and how you might be affected. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the motion by Class Counsel for an award of attorneys' fees and reimbursement of expenses (the "Settlement Fairness Hearing"). The Settlement Fairness Hearing will be held on November 9, 2016 at 10:00 a.m. (see ¶33 below).

5. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

**WHAT IS THIS CASE ABOUT?**

6. This is a federal securities class action brought on behalf of all persons or entities that purchased or otherwise acquired St. Jude common stock during the Class Period. Plaintiffs allege that Defendants issued false and misleading statements during the Class Period that understated and misrepresented the severity of known, undisclosed problems with St. Jude's older generation of silicone-insulated cardiac leads and electrical malfunctions and that the silicone-insulated leads suffered from premature wear and protruding wires, defects that would inhibit the leads' ability to deliver life-saving electric shocks. Plaintiffs also allege that Defendants issued false and misleading statements touting the purported improvements and successes of St. Jude's newer generation of high-voltage cardiac leads, particularly a lead named Durata, which was coated with a proprietary insulation called "Optim," instead of silicone. Plaintiffs further

allege that Defendants' false and misleading statements caused the price of St. Jude common stock to be artificially inflated during the Class Period. Defendants deny each and all of the claims and contentions of wrongdoing alleged by Plaintiffs in the Action. Defendants contend that they did not make any materially false or misleading statements, they disclosed all material information required to be disclosed by the federal securities laws and any alleged misstatements or omissions were not made with the requisite intent or knowledge of wrongdoing. Defendants also contend that any losses suffered by Class Members were not caused by any false or misleading statements by Defendants and/or were caused by intervening events.

7. On or after December 7, 2012, two putative securities fraud class actions were filed against St. Jude and certain of its officers in this Court. By Order dated March 15, 2013, the Court consolidated the two actions for all purposes. By the same Order, the Court also designated Första AP-fonden and Danske Invest Management A/S as Lead Plaintiffs pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), approved the law firms of Kessler Topaz and Motley Rice as Lead Counsel and approved the law firm of Heins Mills & Olson, P.L.C. ("Heins Mills") as Liaison Counsel.

8. On June 25, 2013, Plaintiffs filed an Amended Consolidated Complaint for Violations of the Federal Securities Laws (the "Amended Complaint") against Defendants, alleging certain violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. Defendants moved to dismiss the Amended Complaint on September 3, 2013. Following oral argument on Defendants' motion on January 9, 2014, the Court, by Order dated March 10, 2014, granted in part and denied in part Defendants' motion to dismiss.

9. On October 7, 2014, by stipulation of the Parties, Plaintiffs filed the operative complaint, the Second Amended Consolidated Complaint for Violations of the Federal Securities Laws (the "Second Amended Consolidated Complaint" or "SACC"), against Defendants. The SACC did not include any additional or different claims from those which were previously asserted in the Amended Complaint, but rather added additional allegations regarding certain actions taken by the U.S. Food and Drug Administration in August 2012.

10. On October 28, 2014, Defendants filed their answer denying all material surviving allegations of the SACC and asserting certain affirmative defenses.

11. On September 4, 2015, Plaintiffs moved for class certification and appointment of class representatives and class counsel (the "Class Certification Motion"). Defendants filed their opposition to Plaintiffs' motion on October 7, 2015, and Plaintiffs filed a reply in further support of their motion on November 16, 2015. Following a hearing on December 15, 2015, the Court, by Order dated December 22, 2015, granted Plaintiffs' Class Certification Motion, certifying the Class and appointing Första AP-fonden and Danske Invest Management A/S as Class Representatives. By the same Order, the Court appointed Kessler Topaz and Motley Rice as lead class counsel and Heins Mills as liaison counsel for the Class.

12. On March 11, 2016, the Court granted Plaintiffs' motion to approve the form and manner of notifying the Class of the pendency of the Action as a class action. As described in the Declaration of Eric Schachter filed with the Court by Plaintiffs on May 24, 2016 (Docket No. 285), the Class Notice was provided to the Class, and a Summary Notice was published. These notices informed potential Class Members that they had the right to request exclusion from the Class and set forth the procedures for doing so. A total of twenty-eight (28) requests for exclusion from the Class were received in connection with the Class Notice.

13. The Parties have conducted extensive discovery in the Action, including numerous depositions. The Parties have completed fact discovery and have largely completed expert discovery, with all expert reports having been submitted. The Parties have submitted numerous conflicting expert reports on issues of both liability and damages. At the time the Parties reached their agreement-in-principle to resolve the Action, dispositive motions were due to be filed with the Court by July 14, 2016.

14. The proposed Settlement is the result of extensive, arm's-length negotiations with the assistance of an experienced mediator. On various occasions during the course of the litigation of the Action, the Parties unsuccessfully conducted discussions regarding the possibility of a settlement. In mid-2015, the Parties agreed to retain Layn R. Phillips, (retired) Judge of the U.S. District Court, Western District of Oklahoma, to act as a mediator for purposes of conducting settlement discussions and arm's-length negotiations. A mediation session was held in New York, New York on September 28, 2015, and subsequent conversations followed. These efforts did not prove successful.

15. Following the completion of fact discovery and substantial completion of expert discovery in the Action, the Parties agreed to recommence settlement discussions with Judge Phillips. An in-person mediation conference was held in New York, New York on May 22, 2016, during which Judge Phillips made a "mediator's proposal" to both sides. On May 24, 2016, the Parties accepted Judge Phillips' mediator's proposal, reaching an agreement-in-principle to settle the Action for \$39.25 million. On July 7, 2016, the Parties entered into the Stipulation setting forth the terms and conditions of the Settlement. The Stipulation can be viewed at [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com).

16. On July 13, 2016, the Court preliminarily approved the proposed Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

#### **HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?**

17. If you are a member of the Class, you are subject to the Settlement unless you are excluded from the Class as set forth below. The Class consists of:

**All persons or entities who purchased or otherwise acquired St. Jude common stock during the period from February 5, 2010 through November 20, 2012, and who were damaged thereby.**

Excluded from the Class are: (i) Defendants; (ii) members of the immediate family of each of the Individual Defendants; (iii) any person who was an executive officer and/or director of St. Jude Medical, Inc. during the Class Period; (iv) any person, firm, trust, corporation, officer, director, or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with

any of the Defendants; and (v) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are the persons and entities that previously requested exclusion in connection with the Class Notice as set forth on Exhibit C to the Stipulation and that do not opt back into the Class (*see* ¶¶30-32 below).

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE POTENTIALLY ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 8, 2016.**

#### **WHAT ARE THE CLASS REPRESENTATIVES' REASONS FOR THE SETTLEMENT?**

18. The Class Representatives and Class Counsel believe that the claims asserted against Defendants have merit. However, the Class Representatives and their counsel are also cognizant of the fact that continued litigation would present substantial risks that may result in a recovery of less than the \$39.25 million Settlement, or no recovery at all, and that any such recovery could be many years in the future. In particular, the Class Representatives recognize that Defendants had significant arguments that their alleged misstatements were not false or materially misleading and that, even if they made materially misleading statements, they did not do so intentionally or recklessly. In addition, Defendants had substantial arguments that the declines in St. Jude's stock price during the Class Period that were alleged to have given rise to damages were not caused by the conduct alleged by Plaintiffs. Had any of these arguments been accepted in whole or in part, they could have eliminated or, at minimum, dramatically limited any potential recovery. Further, the Class Representatives would have had to prevail at several stages – summary judgment and trial, and even if they prevailed on those, on the appeals that were likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

19. In light of these risks, the Class Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class.

20. Throughout the litigation of this Action, Defendants have vigorously denied and disclaimed, and each of them continues vigorously to deny and disclaim, any wrongdoing or liability whatsoever, including denying any and all claims of liability or wrongdoing and all charges and allegations that have been asserted against them, but have determined to enter into the Settlement on the terms and conditions set forth in the Stipulation to halt the substantial expense that continues to be attendant to the litigation, as well as to eliminate uncertainty and risks from continued litigation.

#### **WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

21. If there were no Settlement and the Class Representatives failed to establish any essential legal or factual element of their claims against Defendants, the Class Representatives and the Class would not recover anything from Defendants. Also, if Defendants were successful in prevailing on any of their defenses, either at summary judgment, at trial or on appeal, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

#### **HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT? WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

22. If you are a Class Member, you will be bound by any orders and judgments issued by the Court. If the Settlement is approved, the Court will enter the proposed Order and Final Judgment. The Order and Final Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, the Class Representatives and each member of the Class, on behalf of themselves, and their personal representatives, heirs, executors, administrators, trustees, predecessors, successors and assigns, shall, with respect to each and every Released Claim (as defined below in ¶23), be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally and forever released, relinquished and discharged, and shall forever be enjoined from prosecuting, any Released Claim against any of the Released Defendant Parties (as defined below in ¶24).

23. "Released Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for compensatory, punitive, or statutory damages, interest, attorneys' fees, and any other costs, expenses or liability whatsoever), whether known or unknown (including Unknown Claims as defined below in ¶25), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether legal, equitable, statutory or of any other type or form, whether brought in an individual, representative, class, derivative or any other capacity, whether fixed or contingent, liquidated or unliquidated, that (1) (A) were alleged or asserted, or which could have been alleged or asserted, in the Action or (B) in any way relate to or arise from any of the conduct, statements, communications, occurrences, omissions, acts, or failures to act that were alleged or asserted in the Action, and (2) relate to the purchase or other acquisition, sale or other disposition, or ownership of St. Jude stock during the Class Period. Notwithstanding the foregoing, Released Claims shall not include claims to enforce the terms of the Stipulation or the Settlement.

24. "Released Defendant Parties" means any and all of the Defendants and each of their respective past, present, or future subsidiaries, parents, affiliates, successors, predecessors, and each and all of their respective officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, legal representatives, heirs, successors in interest or assigns. The Released Defendant Parties other than the Defendants themselves are intended as third-party beneficiaries of this Settlement with respect to the release of Released Claims. Nothing set forth herein or in the Stipulation shall constitute a release by any Defendant of any insurer, reinsurer, or any other entity contracted or otherwise obligated to provide insurance or indemnification to any of the Released Defendant Parties of any claim arising out of the rights, remedies, duties or obligations provided for in any insurance policy or agreement.

25. "Unknown Claims" means all claims that fall within the above definition of Released Claims which Plaintiffs, any other Class Member or any other Released Plaintiff Party does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and all claims that fall within the definition of Released Defendants' Claims which any Defendant or any other Released Defendant Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly waive and relinquish to the fullest extent permitted by law, and each other Released Party shall be deemed to have waived and relinquished to the fullest extent permitted by law, and by operation of the Order and Final Judgment, shall have expressly waived and relinquished to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by any law of the United States or of any state or territory of the United States, or principle of common law or of international or foreign law, which governs or limits a person's or entity's release of Unknown Claims, which is similar, comparable or equivalent to California Civil Code §1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Plaintiffs and Defendants hereby expressly acknowledge, and each of the other Released Parties shall be deemed by operation of law to have acknowledged, that they may hereafter discover facts in addition to or different from those that any of them or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims or the Released Defendants' Claims, but by this Settlement and upon the Effective Date, Plaintiffs and Defendants shall expressly, and each other Released Party shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally, and forever discharge, settle, and release with prejudice any and all Released Claims and Released Defendants' Claims that now exist or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the subsequent discovery or existence of such different or additional facts, without regard to whether those facts were concealed or hidden, including, but not limited to, conduct which is negligent, grossly negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and each of the other Released Parties shall be deemed by operation of law to have acknowledged, that the inclusion of "Unknown Claims" in the definitions of Released Claims and Released Defendants' Claims was separately bargained for and is a key element of the Settlement.

**HOW MUCH WILL MY PAYMENT BE?**

26. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. If you are a Class Member, your share of the Net Settlement Fund will depend on the number of valid Claim Forms that Class Members submit, and how many shares of St. Jude common stock you purchased, acquired, and sold during the Class Period, and when you purchased, acquired, and sold such shares.

27. Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by the Class Representatives and Class Counsel. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Class.

**HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

28. To be potentially eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than December 8, 2016**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Action, [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 1-866-905-8130 or sending an email to the Claims Administrator at [info@StJudeSecuritiesLitigation.com](mailto:info@StJudeSecuritiesLitigation.com). Please retain all records of your ownership of and transactions in St. Jude common stock, as they may be needed to document your claim. If you are excluded from the Class by definition or you previously submitted a request for exclusion in connection with the Class Notice and do not opt back into the Class in accordance with the instructions set forth in ¶31 below, or if you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

29. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their expenses incurred in the prosecution of this Action. Before final approval of the Settlement, Class Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Amount, or \$9,812,500, plus any interest earned on this amount at the same rate as earned by the Settlement Fund. At the same time, Class Counsel also intend to apply for reimbursement of expenses in an amount not to exceed \$2.9 million, plus interest. Class Counsel's application may also include a request for reimbursement to Class Representatives of their reasonable costs and expenses incurred in connection with their representation of the Class in accordance with 15 U.S.C. §78u-4(a)(4), in an aggregate amount not to exceed \$20,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. ***Class Members are not personally liable for any such fees or expenses.***

**“OPTING BACK” INTO THE CLASS – WHAT IF I PREVIOUSLY REQUESTED EXCLUSION FROM THE CLASS AND NOW WANT TO BE ELIGIBLE TO RECEIVE A PAYMENT FROM THE SETTLEMENT FUND?  
HOW DO I OPT BACK INTO THE CLASS?**

30. If you previously submitted a request for exclusion from the Class in connection with the Class Notice (*see* Exhibit C to the Stipulation), you may elect to opt back into the Class and be potentially eligible to receive a payment from the Settlement. If you are unsure as to whether you previously requested exclusion from the Class, please contact the Claims Administrator, A.B. Data, toll-free at 1-866-905-8130.

31. In order to opt back into the Class, you, individually or through counsel, must submit a written “Request to Opt Back Into the Class” to A.B. Data, addressed as follows: *St. Jude Medical, Inc. Securities Litigation*, OPT INS, c/o A.B. Data, Ltd., P.O. Box 173010, Milwaukee, WI 53217. This request must be **received no later than October 20, 2016**. Your Request to Opt Back Into the Class must: (i) state the name, address, and telephone number of the person or entity requesting to opt back into the Class; (ii) state that such person or entity “requests to withdraw their previously submitted request for exclusion and to opt back into the Class in *Första AP-Fonden and Danske Invest Management A/S v. St. Jude Medical, Inc.*, Civil No. 12-3070 (JNE/HB) (D. Minn.)”; and (iii) be signed by the person or entity requesting to opt back into the Class or an authorized representative.

32. You may not opt back into the Class for the purpose of objecting to any aspect of the Settlement, Plan of Allocation, Class Counsel’s application for an award of attorneys’ fee or reimbursement of expenses, and/or the Class Representatives’ request for reimbursement of costs and expenses incurred in connection with representing the Class.

**PLEASE NOTE: OPTING BACK INTO THE CLASS IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH ABOVE DOES NOT MEAN THAT YOU WILL AUTOMATICALLY BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU OPT BACK INTO THE CLASS AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE ALSO REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 8, 2016.**

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

33. The Settlement Fairness Hearing will be held on **November 9, 2016 at 10:00 a.m.** before The Honorable Joan N. Ericksen, United States District Judge, at the United States District Court for the District of Minnesota, United States District Court, 300 South Fourth Street, 202 U.S. Courthouse, Minneapolis, MN 55415, Courtroom 12W. The Court reserves the right to approve the Settlement, the Plan of Allocation, Class Counsel’s application for an award of attorneys’ fees and reimbursement of expenses and/or any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Class.

34. Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. Participation in the Settlement is not conditioned on attendance at the Settlement Fairness Hearing.

35. Any Class Member who did not previously submit a request for exclusion from the Class in connection with the Class Notice may object to the proposed Settlement, the proposed Plan of Allocation, Class Counsel’s application for an award of attorneys’ fees and reimbursement of expenses, and/or the Class Representatives’ request for reimbursement of costs and expenses. Objections must be in writing and be signed by the person or entity making such objection. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the District of Minnesota at the address set forth below **on or before October 20, 2016**. You must also serve your objection and supporting papers on Class Counsel and Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before October 20, 2016**.

**Clerk’s Office**

Clerk of the Court  
United States District Court  
for the District of Minnesota  
300 South Fourth Street  
202 U.S. Courthouse  
Minneapolis, MN 55415

**Class Counsel**

**Kessler Topaz Meltzer & Check, LLP**  
Gregory M. Castaldo, Esq.  
280 King of Prussia Road  
Radnor, PA 19087

**Motley Rice LLC**

Gregg S. Levin, Esq.  
28 Bridgeside Blvd.  
Mt. Pleasant, SC 29464

**Defendants’ Counsel**

**Sidley Austin LLP**  
David Graham, Esq.  
One South Dearborn  
Chicago, IL 60603

36. Any objection must include: (i) the name, address and telephone number of the person or entity objecting and must be signed by the objector; (ii) a statement of the Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (iii) documents sufficient to prove membership in the Class, including the number of shares of St. Jude common stock that the objecting Class Member purchased/acquired and/or sold during the Class Period (*i.e.*, from February 5, 2010 through November 20, 2012), as well as the dates and prices of each such purchase/acquisition and sale. Documents sufficient to prove membership in the Class include brokerage statements, confirmation slips, or authorized statements from a broker containing the transaction and holding information found in a confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation or Class Counsel’s application for attorneys’ fees and

reimbursement of expenses if you previously submitted a request for exclusion from the Class in connection with the Class Notice or if you are not a member of the Class.

37. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

38. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, Class Counsel's application for an award of attorneys' fees and reimbursement of expenses, and/or the Class Representatives' request for reimbursement of costs and expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Class Counsel and Defendants' Counsel at the addresses set forth in ¶35 above so that it is **received on or before October 20, 2016**. Persons or entities that intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their respective written objections or notices of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

39. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Class Counsel and Defendants' Counsel at the addresses set forth in ¶35 above so that the notice is **received on or before October 20, 2016**.

40. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you plan to attend the Settlement Fairness Hearing, you should confirm the date and time with Class Counsel.

41. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, Class Counsel's application for an award of attorneys' fees and reimbursement of expenses, or the Class Representatives' request for reimbursement of costs and expenses. Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

**WHAT IF I BOUGHT SHARES ON BEHALF OF SOMEONE ELSE?**

42. If you purchased or otherwise acquired shares of St. Jude common stock from February 5, 2010 through November 20, 2012, for the beneficial interest of persons or entities other than yourself, you **MUST, WITHIN SEVEN (7) CALENDAR DAYS OF RECEIPT OF THIS NOTICE, EITHER:** (i) provide a list of the names and last known addresses of such beneficial purchasers to the Claims Administrator, A.B. Data, **IF YOU HAVE NOT ALREADY PROVIDED SUCH NAMES AND ADDRESSES IN RESPONSE TO THE CLASS NOTICE MAILED IN MARCH 2016;** or (ii) forward copies of this Notice and the Claim Form ("Claim Packet") to each such beneficial purchaser and provide A.B. Data with written confirmation that these documents have been so forwarded. If you previously elected to mail the Class Notice directly to beneficial purchasers, A.B. Data will forward the same number of Claim Packets to you to send to such beneficial purchasers. If you require more copies than you previously requested, please contact A.B. Data and let it know how many additional Claim Packets you require. Upon **FULL AND TIMELY** compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com), or by calling the Claims Administrator toll-free at 1-866-905-8130.

**CAN I SEE THE COURT FILE?**

**WHOM SHOULD I CONTACT IF I HAVE QUESTIONS OR WOULD LIKE ADDITIONAL INFORMATION?**

43. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the District of Minnesota, 300 South Fourth Street, 202 U.S. Courthouse, Minneapolis, MN 55415. Additionally, copies of the Stipulation, this Notice, the Claim Form, the proposed Order and Final Judgment, and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com).

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

Dated: August 10, 2016

By Order of the Court  
United States District Court  
District of Minnesota



## **APPENDIX A – PROPOSED PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The objective of the proposed Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Second Amended Consolidated Complaint dated October 7, 2014, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto. The Plan of Allocation reflects the Class Representatives' damages expert's analysis undertaken to date to that end, including a review of publicly available information regarding St. Jude and statistical analysis of the price movements of publicly traded St. Jude common stock ("St. Jude Common Stock") and the price performance of relevant market and peer indices during the Class Period. The Plan of Allocation, however, is not a formal damages analysis that has been adjudicated or fully developed during discovery in the Action. Defendants have had, and will have no involvement or responsibility for the terms or application of the Plan of Allocation.

The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

The Plan of Allocation generally measures the amount of loss that a Class Member can claim for purposes of making *pro rata* allocations of the Net Settlement Fund to Authorized Claimants. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Class Representatives allege that Defendants made false statements and omitted material facts from February 5, 2010 through and including November 20, 2012, which had the effect of artificially inflating the price of St. Jude Common Stock during this time. Class Representatives allege that corrective disclosures that resulted in a statistically significant change in market price and removed the alleged artificial inflation from the price of St. Jude Common Stock occurred on April 4, 2012, August 16, 2012, October 17, 2012, and November 20, 2012. Accordingly, in order to have a "Recognized Loss" pursuant to the Plan of Allocation, the St. Jude Common Stock must have been purchased or otherwise acquired during the Class Period and held through at least one of the alleged corrective disclosures.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

1. For purposes of determining whether a Claimant has a "Recognized Claim", purchases, acquisitions, and sales of St. Jude Common Stock will first be matched on a First In/First Out ("FIFO") basis as set forth in paragraph 5 below.
2. For each share of St. Jude Common Stock purchased or otherwise acquired during the Class Period (i.e., February 5, 2010 through and including November 20, 2012) and sold on or before February 19, 2013,<sup>3</sup> an "Out of Pocket Loss" will be calculated. Out of Pocket Loss is defined as the purchase/acquisition price (excluding all fees, taxes, and commissions) *minus* the sale price (excluding all fees, taxes, and commissions). To the extent that calculation of the Out of Pocket Loss results in a negative number thereby reflecting a gain on the transaction, that number shall be set to zero.
3. A "Recognized Loss Amount" will be calculated as set forth below for each share of St. Jude Common Stock purchased or otherwise acquired during the Class Period, that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a Claimant's Recognized Loss Amount results in a negative number, that number shall be set to zero.
4. For each share of St. Jude Common Stock purchased or acquired during the Class Period, and
  - A. Sold prior to the open of trading on April 4, 2012, the Recognized Loss Amount for each share shall be zero.
  - B. Sold after the open of trading on April 4, 2012 and prior to the close of trading on November 20, 2012, the Recognized Loss Amount for each share shall be *the lesser of*:
    - (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition<sup>4</sup> as set forth in **Table 1** below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below; or
    - (ii) the Out of Pocket Loss.

<sup>3</sup>February 19, 2013 represents the last day of the 90-day period subsequent to the Class Period (the "90-day look back period"). The PSLRA imposes a statutory limitation on recoverable damages using the 90-day look back period. This limitation is incorporated into the calculation of a Class Member's Recognized Loss Amount. Specifically, a Class Member's Recognized Loss Amount cannot exceed the difference between the purchase price paid for the St. Jude Common Stock and the average price of St. Jude Common Stock during the 90-day look back period subsequent to the Class Period if the share was held through February 19, 2013, the end of the 90-day look back period. Losses on St. Jude Common Stock purchased/acquired during the Class Period and sold during the 90-day look back period cannot exceed the difference between the purchase price paid for the St. Jude Common Stock and the average price of St. Jude Common Stock during the portion of the 90-day look back period elapsed as of the date of sale, as set forth in Table 2 below.

<sup>4</sup>With respect to purchases/acquisitions and sales of St. Jude Common Stock on August 16, 2012, given that documentation may not exist setting forth the exact time of each such transaction, the price at which the transaction took place shall serve as a proxy for determining whether the transaction occurred before or after 2:02 p.m. EDT on this date. Shares of St. Jude Common Stock purchased/acquired or sold on August 16, 2012 at any price equal to or greater than \$37.35 per share, shall be deemed to have been purchased/acquired or sold prior to 2:02 p.m. EDT on August 16, 2012 for purposes of this Plan of Allocation. Shares of St. Jude Common Stock purchased/acquired or sold on August 16, 2012 at any price less than \$37.35 per share, shall be deemed to have been purchased/acquired or sold after 2:02 p.m. EDT on August 16, 2012 for purposes of this Plan of Allocation.

- C. Sold after the close of trading on November 20, 2012 and prior to the close of trading on February 19, 2013, the Recognized Loss Amount for each share shall be *the least of*:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below;
  - (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* the average closing price of St. Jude Common Stock on the date of sale as set forth in **Table 2** below; or
  - (iii) the Out of Pocket Loss.
- D. Held as of the close of trading on February 19, 2013, the Recognized Loss Amount for each share shall be *the lesser of*:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
  - (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* \$37.67 (the average closing price of St. Jude Common Stock between November 21, 2012, and February 19, 2013, as shown on the last line in **Table 2** below).

#### ADDITIONAL PROVISIONS

5. If a Class Member has more than one purchase/acquisition or sale of St. Jude Common Stock during the Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

6. Purchases/acquisitions and sales of St. Jude Common Stock 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, inheritance or operation of law of St. Jude Common Stock during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of St. Jude Common Stock for the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of St. Jude Common Stock unless (i) the donor or decedent purchased or otherwise acquired such shares of St. Jude Common Stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of St. Jude Common Stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

7. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the St. Jude Common Stock. The date of a “short sale” is deemed to be the date of sale of St. Jude Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in St. Jude Common Stock, the earliest Class Period purchases or acquisitions shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

8. St. Jude Common Stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell St. Jude Common Stock are not securities eligible to participate in the Settlement. With respect to St. Jude Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the St. Jude Common Stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

9. The sum of a Claimant’s Recognized Loss Amounts will be the Claimant’s “Recognized Claim.”

10. An Authorized Claimant’s Recognized Claim shall be the amount used to calculate the Authorized Claimant’s *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

11. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

12. Receipt of monies by each Authorized Claimant pursuant to either paragraph 10 or 11 above will be deemed full and complete payment from the Settlement of his, her or its Recognized Claim.

13. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or other reasons following an initial distribution, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants that are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund, including the costs and fees for such redistribution. The Claims Administrator may make further

redistributions of balances remaining in the Net Settlement Fund to such Authorized Claimants to the extent such redistributions are cost-effective. At such time as it is determined that the redistribution of funds that remain in the Net Settlement Fund is not cost-effective, Class Counsel shall contribute the balance to nonsectarian, nonprofit charitable organization(s), designated by Class Counsel and approved by the Court.

15. Each Claimant is deemed to have submitted to the jurisdiction of the United States District Court of the District of Minnesota with respect to his, her or its claim.

16. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Class Representatives after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the website for this Action, [www.stjudesecuritieslitigation.com](http://www.stjudesecuritieslitigation.com).

**TABLE 1**

**St. Jude Common Stock Alleged Artificial Inflation  
For Purposes of Calculating Purchase/Acquisition and Sale Inflation**

<b>Date Range<sup>5</sup></b>	<b>Inflation Per Share</b>
February 5, 2010 – March 1, 2010, inclusive	\$4.73
March 2, 2010 – December 14, 2010, inclusive	\$6.30
December 15, 2010 – April 3, 2012, inclusive	\$7.78
April 4, 2012 – August 16, 2012 (prior to 2:02 p.m. EDT)	\$6.30
August 16, 2012 (after 2:02 p.m. EDT) – October 16, 2012, inclusive	\$5.69
October 17, 2012 – November 20, 2012, inclusive	\$4.12
On and after November 21, 2012	\$0.00

**TABLE 2**

**St. Jude Common Stock Closing Prices and Average Closing Prices, November 21, 2012 - February 19, 2013**

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price Between November 21, 2012 and Date Shown</b>
11/21/2012	\$31.37	\$31.37
11/23/2012	\$32.03	\$31.70
11/26/2012	\$31.86	\$31.75
11/27/2012	\$32.20	\$31.87
11/28/2012	\$32.90	\$32.07
11/29/2012	\$33.69	\$32.34
11/30/2012	\$34.28	\$32.62
12/3/2012	\$33.63	\$32.75
12/4/2012	\$34.21	\$32.91
12/5/2012	\$34.51	\$33.07
12/6/2012	\$34.53	\$33.20
12/7/2012	\$34.96	\$33.35
12/10/2012	\$35.27	\$33.50
12/11/2012	\$35.38	\$33.63
12/12/2012	\$35.53	\$33.76
12/13/2012	\$35.39	\$33.86
12/14/2012	\$35.35	\$33.95
12/17/2012	\$35.72	\$34.05
12/18/2012	\$36.06	\$34.15

<sup>5</sup>See footnote 4 for an explanation regarding the alleged artificial inflation level involving transactions that occurred on August 16, 2012.

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price Between November 21, 2012 and Date Shown</b>
12/19/2012	\$36.15	\$34.25
12/20/2012	\$36.55	\$34.36
12/21/2012	\$36.24	\$34.45
12/24/2012	\$36.16	\$34.52
12/26/2012	\$36.08	\$34.59
12/27/2012	\$35.87	\$34.64
12/28/2012	\$35.47	\$34.67
12/31/2012	\$36.14	\$34.72
1/2/2013	\$36.61	\$34.79
1/3/2013	\$36.77	\$34.86
1/4/2013	\$37.07	\$34.93
1/7/2013	\$37.44	\$35.01
1/8/2013	\$37.17	\$35.08
1/9/2013	\$37.30	\$35.15
1/10/2013	\$38.16	\$35.24
1/11/2013	\$38.29	\$35.32
1/14/2013	\$38.85	\$35.42
1/15/2013	\$38.39	\$35.50
1/16/2013	\$38.55	\$35.58
1/17/2013	\$39.23	\$35.68
1/18/2013	\$39.45	\$35.77
1/22/2013	\$39.67	\$35.87
1/23/2013	\$39.62	\$35.95
1/24/2013	\$39.92	\$36.05
1/25/2013	\$40.88	\$36.16
1/28/2013	\$40.80	\$36.26
1/29/2013	\$41.41	\$36.37
1/30/2013	\$40.81	\$36.47
1/31/2013	\$40.70	\$36.55
2/1/2013	\$41.17	\$36.65
2/4/2013	\$40.84	\$36.73
2/5/2013	\$41.76	\$36.83
2/6/2013	\$42.48	\$36.94
2/7/2013	\$42.21	\$37.04
2/8/2013	\$42.60	\$37.14
2/11/2013	\$42.93	\$37.25
2/12/2013	\$42.60	\$37.34
2/13/2013	\$42.84	\$37.44
2/14/2013	\$43.01	\$37.54
2/15/2013	\$41.53	\$37.60
2/19/2013	\$41.65	\$37.67