

Covidien Ltd.
Form PRER14A
March 11, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

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Covidien Ltd.

(Name of Registrant as Specified in its Charter)

N/A

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Covidien Ltd.

131 Front Street

Hamilton, HM 12 Bermuda

Tel: (441) 298-2480

Fax: (441) 298-2501

Dear Shareholder:

On _____, 2009, at 10 a.m., Eastern Time, we will hold a special court-ordered meeting of our common shareholders at 15 Hampshire Street, Mansfield, Massachusetts 02048.

Our board of directors has unanimously approved, and is submitting to our common shareholders for their approval, a proposal that would result in your holding shares in an Irish company rather than a Bermuda company. The proposed scheme of arrangement under Bermuda law will effectively change the place of incorporation of the company whose shares you own from Bermuda to Ireland. Except for the effect of payment of cash in lieu of fractional shares held of record, if any, the number of shares you will own in Covidien plc, the Irish company, will be the same as the number of shares you held in Covidien Ltd., the Bermuda company, immediately prior to the completion of the transaction, and your relative economic interest in Covidien will remain unchanged. The special court-ordered meeting is being held in accordance with an order of the Supreme Court of Bermuda issued on _____, 2009, which Bermuda law required us to obtain prior to holding the meeting. If shareholders approve the scheme of arrangement at the meeting, we will be required to make a subsequent application to the Supreme Court of Bermuda seeking sanction or approval of the scheme of arrangement, which application will be heard on or about _____, 2009.

After the completion of the transaction, the Irish company will continue to conduct the same business operations as conducted by the Bermuda company before the transaction. We expect the shares of the Irish company to be listed on the New York Stock Exchange under the symbol

COV, the same symbol under which your shares are currently listed. Upon completion of the transaction, we will remain subject to the U.S. Securities and Exchange Commission reporting requirements, the mandates of the Sarbanes-Oxley Act and the applicable corporate governance rules of the New York Stock Exchange, and we will continue to report our consolidated financial results in U.S. dollars and in accordance with U.S. generally accepted accounting principles.

If the scheme of arrangement is approved, we also will ask you at the meeting to approve a proposal to create distributable reserves, which are required under Irish law in order to permit us to continue to pay quarterly dividends after the transaction.

Under U.S. federal income tax law, shareholders of Covidien Ltd. generally will not recognize gain or loss in the transaction, except with respect to any cash received in lieu of fractional shares held of record, if any.

This proxy statement provides you with detailed information regarding the transaction. We encourage you to read this entire document carefully. **You should carefully consider Risk Factors beginning on page 25 for a discussion of risks before voting at the meeting.**

The transaction cannot be completed without (1) the affirmative vote of a majority in number of the holders of Covidien Ltd. common shares present and voting on the proposal, whether in person or by proxy, representing 75% or more in value of the common shares present and voting on the proposal, whether in person or by proxy, and (2) the approval of the Supreme Court of Bermuda. **Your board of directors unanimously recommends that you vote to approve the scheme of arrangement.**

Please **mark, date, sign and return the enclosed proxy card** in the enclosed, postage-paid envelope as promptly as possible, or appoint a proxy to vote your shares by using the Internet, as described in the attached proxy statement, so that your shares may be represented at the special court-ordered meeting and voted in accordance with your wishes.

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If you have any questions about the meeting, or if you require assistance, please call D.F. King & Co., Inc. at 1-800-549-6697 (toll-free in the U.S.) or 1-212-269-5550 (call collect).

Sincerely,

Richard J. Meelia

Chairman, President and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the transaction or determined if this proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.

This proxy statement is dated _____, 2009 and is first being mailed to shareholders on or about _____, 2009.

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NOTICE OF SPECIAL COURT-ORDERED MEETING OF SHAREHOLDERS

IN THE SUPREME COURT OF BERMUDA

CIVIL JURISDICTION

(COMMERCIAL COURT)

2009: NO. []

IN THE MATTER OF COVIDIEN LTD.

AND IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981

NOTICE OF MEETING OF COVIDIEN LTD.

SHAREHOLDERS TO BE HELD ON , 2009

To the holders of common shares of Covidien Ltd.:

We will hold a special court-ordered meeting of our common shareholders at 15 Hampshire Street, Mansfield, Massachusetts 02048, commencing at 10 a.m., Eastern Time, on , 2009 to vote:

1. to approve the Scheme of Arrangement attached as Annex A to this proxy statement between Covidien Ltd., a company organized under the laws of Bermuda, and its shareholders (the Scheme of Arrangement). If the Scheme of Arrangement is approved, it will effect a transaction (the Transaction) pursuant to which each holder of Covidien Ltd. common shares outstanding immediately before the Transaction is effected will receive ordinary shares of Covidien plc, an Irish company and subsidiary of Covidien Ltd., with a par value of \$0.20 per share, on a one-for-one basis in respect of such outstanding Covidien Ltd. common shares (or, in the case of fractional interests in shares of Covidien Ltd. (which we refer to in this proxy statement as fractional shares) held of record, if any, cash for such fractional shares in lieu of ordinary shares of Covidien plc);
2. if the Scheme of Arrangement is approved, and in connection with the Scheme of Arrangement and the Reorganization (as defined below), to approve the creation of distributable reserves of Covidien plc (through the reduction of the share premium account of Covidien plc) that was previously approved by Covidien Ltd. and the other current shareholders of Covidien plc (as described in this proxy statement). We refer to this proposal in this proxy statement as the distributable reserves proposal ; and
3. to approve a motion to adjourn the meeting to a later date to solicit additional proxies if there are insufficient proxies to approve the Scheme of Arrangement at the time of the meeting.

If any other matters properly come before the meeting or any adjournments or postponements of the meeting, the persons named in the proxy card will vote the shares represented by all properly executed proxies in their discretion.

All registered holders of our common shares at the close of business on , 2009 are entitled to notice of, and to vote at, the special court-ordered meeting and any adjournments or postponements thereof.

The attached proxy statement and the accompanying proxy card are being sent to common shareholders on or about , 2009.

Admission to the special court-ordered meeting of common shareholders will be by ticket only and will require photo identification from all shareholders. Also, if you hold your shares through an intermediary such as a bank or broker, you must bring proof of ownership, such as an account statement from your broker, indicating your beneficial ownership of Covidien Ltd. common shares on , 2009,

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the record date for the meeting. If you are a registered common shareholder and plan to attend the meeting, please check the appropriate box on the proxy card or, if you appoint a proxy by Internet, indicate your plans to attend when prompted. In all cases, retain the top portion of the proxy card as your admission ticket to the meeting. Holders of record who attend the meeting may vote their shares personally at the meeting even if they have previously sent in proxies. If you are a shareholder whose common shares are held through an intermediary such as a bank or broker and you plan to attend the meeting and vote, you must obtain a legal proxy from your broker. Please contact your broker for instructions on how to obtain such a legal proxy.

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The special court-ordered meeting is being held in accordance with an order of the Supreme Court of Bermuda issued on _____, 2009, which Bermuda law required us to obtain prior to holding the meeting. If shareholders approve the Scheme of Arrangement at the meeting, we will make a subsequent application to the Supreme Court of Bermuda seeking sanction or approval of the Scheme of Arrangement, which must be obtained as a condition to the Scheme of Arrangement becoming effective. We expect the sanction hearing to be held on _____, 2009 at _____ at the Supreme Court in Hamilton, Bermuda. If you are a common shareholder who wishes to appear in person or by counsel at the sanction hearing and present evidence or arguments in support of or opposition to the Scheme of Arrangement, you may do so. In addition, the Supreme Court has wide discretion to hear from interested parties. Covidien Ltd. will not object to the participation in the sanction hearing by any shareholder who holds shares through a broker.

This notice incorporates the accompanying proxy statement.

By Order of the Board of Directors

John W. Kapples

Secretary

_____, 2009

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL COURT-ORDERED MEETING, PLEASE PROMPTLY RETURN YOUR SIGNED PROXY IN THE ENCLOSED ENVELOPE OR DIRECT THE VOTING OF YOUR COMMON SHARES BY INTERNET AS DESCRIBED ON YOUR PROXY CARD.

This proxy statement incorporates documents by reference. Please see *Where You Can Find More Information* beginning on page 97 for a listing of documents incorporated by reference. These documents are available to any person, including any beneficial owner, upon request directed to Investor Relations, Covidien, 15 Hampshire Street, Mansfield, Massachusetts 02048. To ensure timely delivery of these documents, any request should be made by _____, 2009. The exhibits to these documents will generally not be made available unless they are specifically incorporated by reference in this proxy statement.

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COVIDIEN LTD.

131 FRONT STREET

HAMILTON, HM 12 BERMUDA

PROXY STATEMENT

For the Special Court-Ordered Meeting of Common Shareholders

to be held on , 2009

This proxy statement is furnished to our common shareholders in connection with the solicitation of proxies on behalf of the board of directors of Covidien Ltd. (sometimes referred to herein as the Company) to be voted at the Company's special court-ordered meeting of common shareholders (the meeting or special court-ordered meeting) to be held on , 2009, and any adjournments or postponements thereof, at the times and places and for the purposes set forth in the accompanying Notice of Special Court-Ordered Meeting of Shareholders. This proxy statement and the accompanying proxy card are being sent to common shareholders on or about , 2009. Please **mark, date, sign and return the enclosed proxy card** to ensure that all of your shares are represented at the special court-ordered meeting.

Shares represented by valid proxies will be voted in accordance with instructions contained therein or, in the absence of such instructions, at the proxy's discretion. You may revoke your proxy at any time before it is exercised by timely delivery of a properly signed, later-dated proxy (including an Internet proxy) or by voting in person at the meeting. You may also notify our Secretary in writing before the special court-ordered meeting that you are revoking your proxy. If you hold your shares beneficially, please follow the procedures required by your broker to revoke a proxy. You should contact that firm directly for more information on these procedures.

The board of directors has fixed the close of business on , 2009 as the record date for determination of common shareholders entitled to notice of, and to vote at, the meeting and any adjournments or postponements thereof. As of the record date, the issued and outstanding voting shares of the Company consisted of common shares.

Admission to the meeting will be by ticket only and will require photo identification from all shareholders. If you are a registered common shareholder and plan to attend the meeting, please check the appropriate box on the proxy card or, if you appoint a proxy by Internet, indicate your plans to attend when prompted. If you hold your shares through an intermediary such as a bank or broker and plan to attend the meeting and vote, you must bring proof of ownership, such as an account statement from your broker, indicating your beneficial ownership of Covidien common shares on , 2009, the record date for the meeting, and you must obtain a legal proxy from your broker. Please contact your broker for instructions on how to obtain such a legal proxy.

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TRANSACTION STRUCTURE

We are seeking your approval at the special court-ordered meeting of a Scheme of Arrangement under Bermuda law that will effectively change the place of incorporation of the company whose shares you own from Bermuda to Ireland.

As explained in more detail below, the Scheme of Arrangement on which we are asking you to vote will effect the Transaction, which is part of a broader Reorganization. The first step in that Reorganization was the change of Covidien Ltd.'s tax residency from Bermuda to Ireland, which occurred in December 2008.

The Transaction involves several steps. Covidien Ltd., the Bermuda company whose common shares you currently own, formed a new Irish company named Covidien public limited company (Covidien plc), as a direct subsidiary. On [REDACTED], 2009, we petitioned the Supreme Court of Bermuda (the Supreme Court) to order the calling of the meeting of Covidien Ltd. common shareholders to approve the Scheme of Arrangement. On [REDACTED], 2009, the Supreme Court ordered us to seek your approval of the Scheme of Arrangement. We will hold the special court-ordered meeting to approve the Scheme of Arrangement on [REDACTED], 2009. If we obtain the necessary shareholder approval, the Supreme Court will hold a second hearing scheduled to be held on or about [REDACTED], 2009 to sanction the Scheme of Arrangement (the Sanction Hearing). Assuming we receive the necessary approvals from the shareholders and the Supreme Court and the conditions to consummation of the Transaction are satisfied (and we do not abandon the Transaction), we will file the court order sanctioning the Scheme of Arrangement with the Bermuda Registrar of Companies, at which time the Scheme of Arrangement will become effective. Various steps of the Transaction will occur effectively simultaneously at the Transaction Time, which we anticipate will be after the close of trading on the New York Stock Exchange (NYSE) on the day the Scheme of Arrangement becomes effective, and before the opening of trading on the NYSE on the next business day.

At the Transaction Time, the following steps will occur effectively simultaneously:

1. all fractional shares of Covidien Ltd. held of record, if any, will be cancelled and Covidien Ltd. will pay to each holder of fractional shares that have been cancelled an amount based on the average of the high and low trading prices of Covidien Ltd. common shares on the NYSE on the business day immediately preceding the effective date of the Scheme of Arrangement;
2. all previously outstanding whole common shares of Covidien Ltd. will be cancelled;
3. Covidien Ltd. will issue 100 common shares to Covidien plc (which will constitute all of Covidien Ltd.'s issued common shares at such time);
4. Covidien plc will issue ordinary shares on a one-for-one basis to the holders of whole Covidien Ltd. common shares that have been cancelled; and
5. all previously outstanding ordinary shares of Covidien plc, which prior to the Transaction Time will be held by Covidien Ltd. and its nominees, will be acquired by Covidien plc and cancelled for no consideration, in accordance with a resolution passed by Covidien Ltd. and such nominees.

As a result of the Transaction, the common shareholders of Covidien Ltd. will become ordinary shareholders of Covidien plc and Covidien Ltd. will become a wholly owned subsidiary of Covidien plc, as indicated in the diagram below.

In connection with consummation of the Transaction:

Covidien plc will assume Covidien Ltd.'s existing obligations in connection with awards granted under Covidien Ltd.'s equity incentive plans and other similar employee awards;

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Covidien plc will enter into a supplemental indenture to the indenture governing the senior notes issued by Covidien International Finance S.A., a subsidiary of Covidien Ltd. (CIFSA), pursuant to which

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Covidien plc will guarantee the obligations of CIFSA under the indenture and supplemental indentures governing the senior notes; and

We will seek waivers under and/or amendments to CIFSA's five-year senior unsecured revolving credit facility in order to avoid a technical default that would otherwise result from Covidien Ltd. becoming a wholly owned subsidiary of Covidien plc in connection with the Transaction.

We refer to the foregoing transactions, together with the steps of the Transaction and the change in Covidien Ltd.'s tax residency from Bermuda to Ireland that was completed in December 2008, as the Reorganization.

In connection with consummation of the Transaction, the shares of Covidien Ltd. held as treasury shares immediately prior to the Transaction Time will be cancelled, and Covidien plc will issue an equal number of new ordinary shares to Covidien Ltd. As of February 27, 2009, there were 90,471 Covidien Ltd. shares held as treasury shares, and we do not expect this number to be materially different as of immediately prior to the Transaction Time.

Currently, the only fractional shares held of record are those that shareholders have acquired through the dividend reinvestment feature offered through our Investor Services Program. Prior to the Transaction Time, our Investor Services Program will be terminated, and all fractional shares held of record as a result of the operation of the dividend reinvestment feature of the Investor Services Program will be cancelled in exchange for a cash payment in connection with such termination. Accordingly, we expect that there will not be any fractional shares held of record at the Transaction Time.

As of February 27, 2009, there were 503,945,147 common shares of Covidien Ltd. outstanding. In addition, there were 13,060,254 common shares of Covidien Ltd. reserved for issuance pursuant to outstanding equity awards and an additional 7,435,595 common shares available for issuance but unissued under Covidien Ltd.'s incentive plans.

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The following diagram shows the structure of Covidien Ltd. before the Reorganization and after the Reorganization. The diagram does not reflect any of the legal entities owned by Covidien Ltd.

In this proxy statement, we sometimes refer to Covidien Ltd. before the Transaction and Covidien plc after the Transaction as we, our, Covidien or the Company.

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QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION

Q: What am I being asked to vote on at the meeting?

A: You are being asked to vote on a Scheme of Arrangement under Bermuda law that will effect a transaction, which we refer to as the Transaction, pursuant to which your common shares of Covidien Ltd. will be cancelled and you will receive, on a one-for-one basis with your Covidien Ltd. shares that have been cancelled, new shares of Covidien plc (or, in the case of fractional shares held of record, if any, cash) for the purpose of changing the place of incorporation of the company whose shares you own from Bermuda to Ireland. As a result of the Transaction, shareholders of Covidien Ltd. will become shareholders of Covidien plc. Many of the principal attributes of Covidien Ltd.'s common shares and Covidien plc's ordinary shares will be similar. However, there are differences between your rights under Irish law and under Bermuda law. In addition, there are differences between Covidien Ltd.'s memorandum of association and bye-laws and Covidien plc's memorandum and articles of association as they will be in effect after the Transaction. We discuss these differences in detail under Description of Covidien plc Shares and Comparison of Rights of Shareholders and Powers of the Board of Directors. Copies of forms of Covidien plc's memorandum and articles of association as they will be in effect after the Transaction are attached to this proxy statement as Annex B.

If the Scheme of Arrangement is approved, and in connection with the Scheme of Arrangement and the Reorganization, you also will be asked at the special court-ordered meeting to vote on a proposal to approve the creation of distributable reserves of Covidien plc (through the reduction of the share premium account of Covidien plc) that was previously approved by Covidien Ltd. and the other current shareholders of Covidien plc (as described in this proxy statement). Approval of the distributable reserves proposal is not a condition to the Transaction.

You are also being asked to vote on a proposal to adjourn the meeting to a later date to solicit additional proxies if there are insufficient proxies to approve the Scheme of Arrangement at the time of the meeting. Approval of the adjournment proposal is not a condition to the Transaction or the creation of distributable reserves.

Q: Why did Covidien Ltd. move its tax residency to Ireland?

A: Covidien Ltd. moved its tax residency to Ireland in December 2008 as the first step of the Reorganization. The move in tax residency was effected as a result of a determination by our board of directors to hold a majority of board meetings each year in Ireland and to make all key strategic decisions at the board level.

Ireland's corporate law and tax system distinguishes between tax residence and place of incorporation. There are companies that are incorporated outside Ireland but are tax resident in Ireland (and vice versa). Once the board of directors determined that moving from Bermuda to Ireland was in the best interests of shareholders, it was determined to move as soon as practicable. Because moving tax residence to Ireland can be achieved without a shareholder vote and due to the possible enactment of the various legislative and regulatory proposals described in the next answer, this was a logical first step pending implementation of the Transaction.

Q: Why do you want to change Covidien's place of incorporation from Bermuda to Ireland?

A: Covidien Ltd. is currently incorporated in Bermuda, a legacy from the Company's time as a wholly owned subsidiary of Tyco International Ltd. (Tyco International). In 1997, Tyco International became a Bermuda company as the result of a merger with ADT, a publicly traded company that had been headquartered in Bermuda since the 1980s. Tyco International subsequently determined, in connection with its separation into three companies in mid-2007—Covidien Ltd., Tyco Electronics Ltd. and Tyco International—that each such company would

remain incorporated in Bermuda.

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After our first year as an independent healthcare products company, we revisited the decision regarding the location of our principal executive offices, and determined that it no longer remained appropriate to be located in Bermuda. The primary factor in reaching this decision was the possible adoption of various legislative and regulatory proposals introduced in the United States. These included proposals to limit tax treaty benefits to companies that are domiciled in countries like Bermuda, and various federal and state legislative proposals that would deny government contracts to companies that are located abroad in places like Bermuda. If enacted, we determined that these proposals, due to their potentially wide-ranging scope, could have a material and adverse impact on the Company and its shareholders. Consequently, following a thorough review, Covidien determined that moving from Bermuda is best for shareholders, employees and other stakeholders.

As a result of reaching this decision, the Company reviewed a number of alternatives with its board of directors and outside advisors, including incorporating in a number of different jurisdictions in the two major economic zones in which we operate: North America and Europe. We determined that incorporating in the United States would have negative financial consequences for Covidien and its shareholders by increasing our global effective tax rate, resulting in potentially significant declines in net income and earnings per share. We ultimately decided to incorporate in a European Union jurisdiction, given Covidien's already substantial and growing operations in Europe and given the introduction of various OECD and European Union proposals that could adversely affect companies incorporated in certain jurisdictions outside the OECD or the European Union, respectively. We selected Ireland after considering various factors, including the following:

Covidien has conducted operations in Ireland for nearly 30 years, is comfortable with the Irish business environment, and currently enjoys a strong and growing presence in the country. Ireland is an outward-looking country that has for many years supported exporting companies.

Currently, Covidien has 6 facilities, including 4 manufacturing sites, sales and customer service operations in Ireland. In total, Covidien has almost 2,000 employees in the country, making Ireland the home to the third-highest number of Covidien employees out of the 59 countries in which Covidien operates and the highest number of Covidien employees in Europe.

Ireland enjoys strong relationships as a member of the European Union, and has a long history of international investment and a good network of tax treaties with the United States, the European Union and many other countries where Covidien has major operations.

Both Ireland and Bermuda are common law jurisdictions which we consider to be less prescriptive than many civil law jurisdictions. As a result, we believe Ireland's legal system to be more flexible, predictable and familiar to Covidien than that of a civil law system.

Ireland is an English-speaking country, is a member of the euro zone, and has a stable business, legal and regulatory environment.

Covidien continues to benefit from the incremental investments made over the last few years to augment its sales force and expand geographically in European, African and Asian markets. Ireland is a beneficial location considering Covidien's growing presence in these markets. We believe the Reorganization will offer increased strategic flexibility and operational benefits as we continue to expand the rapidly growing European, African and Asian portion of our business.

Ireland permits the payment of dividends in U.S. dollars.

Please see [Proposal Number One: The Reorganization Background and Reasons for the Reorganization](#) for more information. We cannot assure you that the anticipated benefits of the Reorganization will be realized. In addition to the potential benefits described above, the Reorganization will expose you and us to some risks. These risks include the following: your rights as a shareholder will change due to differences between Bermuda and Irish law and between the governing documents of Covidien Ltd. and Covidien plc; the market for

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Covidien plc shares may differ from the market for Covidien Ltd. shares and Covidien plc s

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shares may be removed from the S&P 500 or other indices as a result of the Transaction; legislative action in the U.S. could materially, adversely affect us; the Reorganization may not allow us to maintain a competitive worldwide effective tax rate and may result in additional costs even if it is not completed; credit market volatility may make it difficult for us to obtain the appropriate waivers and/or amendments to our credit facility; we may choose to abandon the Transaction; if the distributable reserves proposal is not approved, Covidien plc may not be able to pay dividends or repurchase shares following the Transaction; increased shareholder voting requirements in Ireland will reduce our flexibility in some aspects of capital management; the transfer of Covidien plc shares after the Transaction may be subject to Irish stamp duty; and dividends paid after the Transaction may be subject to Irish dividend withholding tax or Irish income tax. Please see the discussion under Risk Factors. Our board of directors has considered both the potential advantages of the Reorganization and these risks and has unanimously approved the Scheme of Arrangement and recommended that the shareholders vote for the Scheme of Arrangement.

Q: Will the Reorganization affect our current or future operations?

A: We believe that the Reorganization will have no material impact on how we conduct our day-to-day operations. The location of our future operations will depend on the needs of our business, independent of our legal domicile.

Q: How will the Reorganization affect our presence in Bermuda?

A: Following the completion of the Reorganization, Covidien will relocate its principal executive office from Bermuda to Ireland.

Q: How will the Reorganization affect our presence in the United States?

A: There are no changes planned for our U.S. operations or workforce as a result of the Reorganization.

Q: What will be our corporate presence in Ireland?

A: In addition to Ireland being our intended jurisdiction of incorporation and Irish law governing Covidien plc, we will expand our presence in Ireland with additional finance and regulatory professionals appropriate to staff our principal executive office. We will also hold a majority of our board of directors meetings in Ireland.

Q: Will the Transaction dilute my economic interest in Covidien?

A: No, except for the effect of payment of cash for fractional shares held of record, if any, your relative economic ownership in Covidien will not change as a result of the Transaction.

Q: How will the Reorganization affect financial reporting?

A: After the Reorganization, Covidien will continue to prepare financial statements in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and report in U.S. dollars, and will continue to file reports on Forms 10-K, 10-Q and 8-K with the U.S. Securities and Exchange Commission (SEC), as it currently does. In addition, in connection with annual general meetings of Covidien plc, shareholders will receive audited consolidated annual financial statements prepared in accordance with International Financial Reporting

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Standards (IFRS), which we refer to as the IFRS Financial Statements, in addition to the information shareholders already receive.

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Q: What impact will the Reorganization have on Covidien's current debt arrangements?

A: There will be no material impact on Covidien's senior notes. In connection with the Reorganization, Covidien plc will enter into a supplemental indenture under which it will guarantee the obligations of the Covidien subsidiary that issued the senior notes. Covidien Ltd. will not, however, be released from any of its obligations in respect of the senior notes. Please see Proposal Number One: The Reorganization Guarantee of Senior Notes.

We are seeking waivers under and/or amendments to our credit facility in connection with the Reorganization in order to avoid a technical default that would otherwise result from Covidien Ltd. becoming a wholly owned subsidiary of Covidien plc in connection with the Transaction. If we are successful in obtaining these waivers and/or amendments, we expect that our interest expense under the credit facility may increase and that the credit agreement may be amended to include financial terms less favorable to us than those of the existing credit agreement. Please see Proposal Number One: The Reorganization Credit Facility and Risk Factors.

Q: Will the Reorganization impact Covidien's ability to access the capital and bank markets in the future?

A: We do not expect that the Reorganization will have any significant effect on our ability to access the capital markets. We expect to be able to access the capital and bank markets as efficiently and on similar terms as we can today.

Q: What effect would the failure to complete the Reorganization have on Covidien?

A: Covidien Ltd. will remain an Irish tax resident even if the Reorganization is not completed. In addition, we will incur certain costs whether or not the Reorganization is completed. Covidien will consider all possible alternatives in the event that the Reorganization is not completed. For more information, please see Risk Factors.

Q: What are the material tax consequences of the Transaction?

A: Please read the following questions and answers regarding some of the potential tax consequences of the Transaction. Please refer to Material Tax Considerations beginning on page 41 for a description of the material U.S. federal income tax and Irish tax consequences of the Transaction to Covidien Ltd. shareholders. Determining the actual tax consequences of the Transaction to you may be complex and will depend on your specific situation. You are urged to consult your tax advisor for a full understanding of the tax consequences of the Transaction to you.

Q: Is the Transaction taxable to me?

A: Under U.S. federal income tax law, holders of shares of Covidien Ltd. will not recognize gain or loss in the Transaction, except with respect to any cash received in lieu of fractional shares. Certain five percent or greater shareholders may, however, be required to timely enter into and maintain a gain recognition agreement to avoid recognizing gain in the Transaction. Under Irish tax law, no tax is due for Covidien Ltd. shareholders in the Transaction (including on the receipt of cash in respect of fractional shares in the Transaction) unless such shareholders have some connection with Ireland other than holding Covidien plc shares. Please see Material Tax Considerations.

Q: Is the Transaction a taxable transaction for Covidien Ltd. or Covidien plc?

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A: No. The Transaction will not be a taxable transaction for Covidien Ltd. or Covidien plc.

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Q: Will the Transaction impact Covidien's effective tax rate in 2009 or expectations for later years?

A: The Reorganization is not anticipated to have any material impact on Covidien's effective tax rate. As previously publicly reported, Covidien expects that its effective tax rate will decline at least 200 to 300 basis points over the next several years, irrespective of whether the Transaction is completed.

Q: Does it matter, for tax or other reasons, whether I hold my shares beneficially or of record ?

A: Yes. In general, Covidien shareholders hold their shares in one of two ways. Some shareholders are directly registered in their own names on Covidien's shareholder records, as maintained by Covidien's transfer agent (currently BNY Mellon Shareowner Services). In this proxy statement, we generally refer to these shareholders as holding their shares directly or of record. Other shareholders hold their shares through banks, brokers, trustees, custodians or other nominees, which in turn hold those shares through the Depository Trust Company (DTC). We generally refer to these shareholders as holding their shares beneficially, and to these banks, brokers, trustees, custodians or other nominees as brokers.

Under Irish tax law, you may be treated differently depending on whether you hold your shares beneficially or of record. Please see Material Tax Considerations Irish Tax Considerations. In addition, there are different procedures for voting and attending the meeting, depending on how you hold your shares. Please see The Special Court-Ordered Meeting Record Date; Voting Rights; Vote Required for Approval and The Special Court-Ordered Meeting How You Can Vote.

Q: Will there be an Irish withholding tax on dividends on Covidien shares?

A: For the majority of shareholders, there will not be any Irish withholding tax on dividends.

Irish withholding tax (if any) arises in respect of dividends paid after Covidien's establishment of tax residency in Ireland, which occurred in December 2008. Whether Covidien is required to deduct Irish dividend withholding tax from dividends paid to a shareholder will depend largely on whether that shareholder is resident for tax purposes in a relevant territory. A list of the relevant territories is included as Annex C to this proxy statement.

Shares held by U.S. resident shareholders

Dividends paid on Covidien shares that are owned by residents of the U.S. generally will not be subject to Irish withholding tax.

For shares held beneficially, dividends will not be subject to Irish withholding tax if the address of the relevant shareholder in his or her broker's records is in the U.S. For shares held directly, dividends will not be subject to Irish withholding tax if the shareholder has provided a valid Form W-9 showing a U.S. address or a valid U.S. taxpayer identification number to Covidien's transfer agent.

Shares held by residents of relevant territories other than the U.S.

Dividends paid to shareholders who are residents of relevant territories other than the U.S. generally will not be subject to Irish withholding tax, but those shareholders will need to provide Irish tax forms in order to receive their dividends without any Irish withholding tax as summarized below.

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Shareholders who are residents of relevant territories other than the U.S. who held shares on February 6, 2009 generally will receive dividends in 2009 without any Irish withholding tax. For shares held beneficially, dividends will be paid in 2009 without any Irish withholding tax if the address of the relevant shareholder in his or her broker's records is in a relevant territory other than the U.S. For shares held

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directly, dividends will be paid in 2009 without any Irish withholding tax if the shareholder has provided a valid U.S. tax form showing an address in a relevant territory other than the U.S. to Covidien's transfer agent.

Shareholders who are residents of relevant territories other than the U.S. who acquire their shares after February 6, 2009 must complete the appropriate Irish dividend withholding tax forms in order to receive their dividends without withholding tax. Such shareholders must provide the appropriate Irish forms to their brokers before the record date for the first dividend payment to which they are entitled (in the case of shares held beneficially), or to Covidien's transfer agent at least 7 business days before such record date (in the case of shares held directly).

In addition, all shareholders who are residents of relevant territories other than the U.S. (regardless of when such shareholders acquired their shares) must complete the appropriate Irish dividend withholding tax forms in order to receive their dividends in 2010 and later years without withholding tax. Such shareholders must provide the appropriate Irish forms to their brokers before the record date for the first dividend paid in 2010 (in the case of shares held beneficially), or to Covidien's transfer agent at least 7 business days before such record date (in the case of shares held directly).

Shares held by residents of countries that are not relevant territories

Covidien shareholders who do not reside in relevant territories will be subject to Irish withholding tax (currently at the rate of 20%), but there are a number of other exemptions that could apply on a case-by-case basis. Such shareholders should seek their own advice as to whether and how they may claim such exemptions.

Important information for all shareholders about Irish withholding tax

Covidien will rely on information received directly or indirectly from brokers and its transfer agent in determining where shareholders reside, whether they have provided the required U.S. tax information and whether they have provided the required Irish dividend withholding tax forms, as described above. Covidien strongly recommends that shareholders who will need to complete Irish forms as described above do so and provide them to their brokers or Covidien's transfer agent, as the case may be, as soon as possible. Shareholders who do not need to complete Irish forms should ensure that their residence or required U.S. tax information has been properly recorded by their brokers or provided to Covidien's transfer agent, as the case may be, as described above. If any shareholder who is exempt from withholding receives a dividend subject to Irish dividend withholding tax, he or she may make an application for a refund from the Irish Revenue Commissioners on the prescribed form.

Links to the various Irish Revenue forms are available at <http://www.revenue.ie/en/tax/dwt/forms/index.html>. Please contact your broker or your tax advisor if you have any questions regarding Irish dividend withholding tax.

Please see [Material Tax Considerations](#) [Irish Tax Considerations](#) [Withholding Tax on Dividends](#) for a more detailed description of the Irish withholding tax on dividends.

Q: Will there be Irish income tax on dividends on Covidien shares?

A: For the majority of shareholders, there will not be any Irish income tax on dividends.

Irish income tax (if any) generally arises for non-Irish residents only in respect of dividends paid after Covidien's establishment of tax residency in Ireland, which occurred in December 2008.

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Dividends paid on Covidien shares owned by residents of relevant territories or by other shareholders that are otherwise exempt from Irish dividend withholding tax will generally not be subject to Irish income tax

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unless they have some connection to Ireland other than holding Covidien shares. Residents of relevant territories and other shareholders that are otherwise exempt from Irish dividend withholding tax who receive dividends subject to Irish withholding tax should be able to make a reclaim of the withholding tax from the Irish Revenue unless they have some connection to Ireland other than holding Covidien shares. Covidien shareholders who receive their dividends subject to Irish dividend withholding tax will have no further liability to Irish income tax on the dividend unless they have some other connection with Ireland.

This answer does not address shareholders that are resident or ordinarily resident in Ireland for Irish tax purposes and such shareholders should seek their own advice.

Please see [Material Tax Considerations](#) [Irish Tax Considerations](#) [Income Tax on Dividends Paid on Covidien Shares](#) for a more detailed description of the Irish income tax on dividends.

Q: Will there be an Irish stamp duty on the transfer of Covidien shares?

A: For the majority of transfers of Covidien shares, there will not be any Irish stamp duty.

Irish stamp duty (if any) becomes payable in respect of share transfers occurring after completion of the Transaction.

A transfer of Covidien shares from a seller who holds shares beneficially to a buyer who holds the acquired shares beneficially will not be subject to Irish stamp duty. A transfer of Covidien shares by a seller who holds shares directly to any buyer, or by a seller who holds the shares beneficially to a buyer who holds the acquired shares directly, may be subject to Irish stamp duty (currently at the rate of 1% of the price paid or the market value of the shares acquired, if higher) payable by the buyer. A shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty provided there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not in contemplation of a sale of the shares.

Because of the potential Irish stamp duty on transfers of Covidien shares, Covidien strongly recommends that all directly registered shareholders open broker accounts so they can transfer their shares into a broker account as soon as possible, and in any event prior to completion of the Transaction. Covidien also strongly recommends that any person who wishes to acquire Covidien shares after completion of the Transaction acquire such shares beneficially.

We currently intend to pay (or cause one of our affiliates to pay) stamp duty in connection with share transfers made in the ordinary course of trading by a seller who holds shares directly to a buyer who holds the acquired shares beneficially. In other cases Covidien may, in its absolute discretion, pay (or cause one of its affiliates to pay) any stamp duty. Covidien plc's articles of association as they will be in effect after the Transaction provide that, in the event of any such payment, Covidien plc (i) may seek reimbursement from the buyer, (ii) will have a lien against the Covidien plc shares acquired by such buyer and any dividends paid on such shares and (iii) may set-off the amount of the stamp duty against future dividends on such shares. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in Covidien plc shares has been paid unless one or both of such parties is otherwise notified by Covidien.

Please see [Material Tax Considerations](#) [Irish Tax Considerations](#) [Stamp Duty](#) for a more detailed description of the Irish stamp duty.

Q: Will the Reorganization have any impact on Covidien's ability to pay dividends or buy back shares?

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- A: Under Irish law, dividends must be paid (and share repurchases must generally be funded) out of distributable reserves, which Covidien plc will not have immediately following the Transaction Time. Please see Description of Covidien plc Shares Dividends and Description of Covidien plc Shares

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Share Repurchases and Redemptions. If the Scheme of Arrangement is approved, shareholders of Covidien Ltd. also will be asked at the special court-ordered meeting to approve the creation of distributable reserves of Covidien plc (through the reduction of the share premium account of Covidien plc), in order to permit us to continue to pay quarterly dividends (and repurchase shares) after the Transaction. The approval of the distributable reserves proposal is not a condition to the consummation of the Transaction. Accordingly, if the shareholders of Covidien Ltd. approve the Scheme of Arrangement but do not approve the distributable reserves proposal, and the Transaction is consummated, Covidien plc may not have sufficient distributable reserves to pay dividends (or to repurchase shares) following the Transaction.

In addition, the creation of distributable reserves requires the approval of the Irish High Court. Although we are not aware of any reason why the High Court would not approve the creation of distributable reserves, the issuance of the required order is a matter for the discretion of the High Court and there is no guarantee that such approval will be forthcoming. Please see Risk Factors and Proposal Number Two: Creation of Distributable Reserves.

Q: Will the Reorganization have any material impact on another company's ability to acquire Covidien?

A: No, the Reorganization should not materially affect the ability of another company to acquire Covidien. Please see Comparison of Rights of Shareholders and Powers of the Board of Directors Shareholder Approval of Business Combinations and Appraisal Rights, Comparison of Rights of Shareholders and Powers of the Board of Directors Special Vote Required for Combinations with Interested Shareholders, and Comparison of Rights of Shareholders and Powers of the Board of Directors Other Anti-Takeover Measures.

Q: When do you expect the Transaction to be completed?

A: We are working towards completing the Transaction as quickly as possible and, assuming the Scheme of Arrangement is approved by the requisite shareholder vote and by the Supreme Court and the other conditions to the consummation of the Transaction are satisfied (and we do not abandon the Transaction), we expect to do so as soon as practicable following shareholder approval. We currently expect to complete the Transaction in 2009. Please see Annex E to this proxy statement for an expected timetable. However, the Transaction may be abandoned or delayed by our board of directors at any time prior to the Scheme of Arrangement becoming effective, even though the Scheme of Arrangement may have been approved by our shareholders and sanctioned by the Supreme Court and all other conditions to the Transaction may have been satisfied. Please see Proposal Number One: The Reorganization Amendment, Termination or Delay.

Q: What will I receive for my Covidien Ltd. shares?

A: You will receive one ordinary Covidien plc share for each whole Covidien Ltd. share you held immediately prior to the completion of the Transaction and cash for any fractional shares of Covidien Ltd. you held of record immediately prior to completion of the Transaction.

Q: If the Scheme of Arrangement is approved, do I have to take any action to cancel my Covidien Ltd. shares and receive Covidien plc shares?

A: Assuming the Transaction becomes effective, your Covidien Ltd. common shares will be cancelled and Covidien plc ordinary shares will be issued without any action on your part, regardless of whether you currently hold Covidien Ltd. shares in certificated form. All of Covidien plc's shares will be issued in uncertificated book-entry form. Consequently, if you currently hold Covidien Ltd. shares in certificated form, following the Transaction, your Covidien Ltd. share certificates will cease to have effect as documents or evidence of title. The transfer agent will make an electronic book-entry in your name and will mail you a statement evidencing your ownership of Covidien plc shares. Please see Proposal Number One: The Reorganization No Action Required to Cancel Covidien Ltd. Shares and Receive Covidien plc Shares.

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Q: Can I trade Covidien Ltd. shares between the date of this proxy statement and the effective time of the Transaction?

A: Yes. The Covidien Ltd. shares will continue to trade during this period.

Q: How will the Transaction affect the stock exchange listing of Covidien shares?

A: We expect that, immediately following the Transaction Time, the Covidien plc ordinary shares will be listed on the NYSE under the symbol COV, the same symbol under which your shares are currently listed. In connection with the Transaction, Covidien will terminate its listing on the Bermuda Stock Exchange. We do not plan to be listed on the Irish Stock Exchange at the present time.

Q: After the Transaction, will shares of Covidien plc be included in the S&P 500 and 100 Indices?

A: Our shares currently are a component of the Standard & Poor's 500 and 100 Indices and other indices. Based on current S&P guidelines, we believe it is possible that S&P would remove our shares as a component of the S&P 500 and 100 upon completion of the Transaction. Although we are uncertain as to when S&P would take this action, we do not believe that it would be effective until after the special court-ordered meeting. S&P has removed the shares of two other companies that recently changed their jurisdictions of incorporation from the Cayman Islands to Switzerland, although we do not believe S&P has previously taken such action with respect to a company moving to Ireland. Similar issues could arise with respect to whether our shares will continue to be included as a component in other indices or funds that may impose a variety of qualifications that could be affected by the Transaction. If our shares are removed as a component of the S&P 500 or 100, or other indices, or no longer meet the qualifications of such funds, institutional investors that are required to track the performance of the S&P 500 or 100 or such other indices or the funds that impose those qualifications would be required to sell their shares, which we expect would adversely affect the price of our shares. Any such adverse impact on the price of our shares could be magnified by the current heightened volatility in the financial markets. In January 2009, we initiated a \$300 million share repurchase program. As that program authorizes us to repurchase shares in the open market from time to time based on market conditions, we may or may not participate in the market at or around the time that S&P or other indices or funds take any action. Please see Risk Factors and Description of Covidien plc Shares Share Repurchases and Redemptions.

Q: What vote of Covidien Ltd. shareholders is required to approve the proposals?

A: The affirmative vote of a majority in number of the record holders of the Covidien Ltd. common shares present and voting at the meeting, whether in person or by proxy, representing 75% or more in value of the common shares present and voting at the meeting, whether in person or by proxy, is required to approve the Scheme of Arrangement. The affirmative vote of holders of at least a majority of the Covidien Ltd. common shares present in person or by proxy at the meeting and voting on the proposal is required to approve the distributable reserves proposal. The affirmative vote of holders of at least a majority of the Covidien Ltd. common shares present in person or by proxy at the meeting and voting on the proposal is required to approve the adjournment proposal. Please see The Special Court-Ordered Meeting Record Date; Voting Rights; Vote Required for Approval.

Q: What quorum is required for action at the meeting?

A: The presence, in person or by proxy, of the holders of a majority of the common shares outstanding and entitled to vote at the meeting constitutes a quorum for the conduct of business. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum in respect of the proposals. Please see The Special Court-Ordered Meeting Record Date; Voting Rights; Vote Required for Approval.

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Q: What vote does my board of directors recommend?

A: The Covidien Ltd. board of directors unanimously recommends that Covidien Ltd. s shareholders vote FOR the proposal to approve the Scheme of Arrangement, FOR the distributable reserves proposal and FOR the proposal to adjourn the meeting to a later date if there are insufficient proxies to approve the Scheme of Arrangement at the time of the meeting.

Q: What should I do now to vote?

A: The meeting will take place on _____, 2009. After carefully reading and considering the information contained in this proxy statement and the documents incorporated by reference, please indicate on the enclosed proxy card how you want to vote. Submit your proxy by following the instructions on the enclosed proxy card as soon as possible, so that your shares may be represented at the meeting. Please see The Special Court-Ordered Meeting How You Can Vote.

Q: May I submit my proxy on the Internet?

A: Yes. Instead of submitting your proxy by mail on the enclosed proxy card, you may give your voting instruction on the Internet. Shareholders of record who do not hold their shares through a broker may grant a proxy to vote on the Internet at www.cesvote.com. Please have your proxy card in hand when going online. If you hold your shares beneficially in the name of a broker, you should follow the instructions provided by your broker when granting your proxy. For more details about Internet proxies, please see The Special Court-Ordered Meeting How You Can Vote.

Q: What if I plan to attend the meeting in person?

A: We recommend that you submit your proxy regardless of whether you plan to attend the meeting in person. For admission to the meeting, shareholders of record should bring photo identification to the Registered Shareholders check-in area, where their ownership will be verified. Those who have beneficial ownership of common shares held by a broker should come to the Beneficial Owners check-in area. To be admitted, beneficial owners must bring photo identification, as well as proof from their banks or brokers that they own Covidien common shares on _____, 2009, the record date for the meeting. If you hold your shares in the name of a broker and you plan to vote at the meeting, you must obtain a legal proxy from your broker. Please contact your broker for instructions on how to obtain such a legal proxy.

Q: If my shares are held beneficially through my broker, will my broker vote my shares for me?

A: We recommend that you contact your broker. Your broker can give you directions on how to instruct the broker to vote your shares. Your broker may not be able to vote your shares unless the broker receives appropriate instructions from you.

Q: Can I change my vote after I grant my proxy?

A: Yes. You can change your vote at any time before your proxy is voted at the meeting. You may revoke your proxy any time prior to its exercise by:

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giving timely written notice of the revocation to the Secretary of Covidien Ltd.;

appearing at the meeting, notifying the Secretary of Covidien Ltd. and voting in person;

granting another proxy on the Internet; or

properly completing and executing a later-dated proxy and delivering it to the Secretary of Covidien Ltd. at or before the meeting.

However, your attendance at the meeting alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow the procedure provided by your broker to change those instructions.

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Q: Are proxy materials available on the Internet?

A: Yes. Our proxy statement is available online at <http://www.covidien.com> under the heading Investor Relations, or on the SEC's website at <http://www.sec.gov>.

Q: Whom should I call if I have questions about the meeting or the Reorganization?

A: You should contact either of the following:

Covidien Ltd.:
Investor Relations

Covidien

15 Hampshire Street

Mansfield, Massachusetts 02048

Phone: (508) 452-4650

the proxy solicitor:
D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, NY 10005

1-800-549-6697 (toll-free in the U.S.)

1-212-269-5550 (call collect)

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SUMMARY

This summary highlights selected information from this proxy statement. It does not contain all of the information that is important to you. To understand the Reorganization more fully, and for a more complete legal description of the Transaction, you should read carefully the entire proxy statement, including the Annexes. The Scheme of Arrangement, attached as Annex A to this proxy statement, is the legal document that governs the Transaction. The memorandum and articles of association of Covidien plc, substantially in the forms attached to this proxy statement as Annex B, will govern Covidien plc after the completion of the Transaction. We encourage you to read those documents carefully.

Parties to the Transaction

Covidien Ltd. Covidien Ltd. manufactures, distributes and services a diverse range of product lines in four segments: Medical Devices, Imaging Solutions, Pharmaceutical Products and Medical Supplies. With 2008 revenue of nearly \$10 billion, Covidien Ltd. has more than 41,000 employees worldwide in 59 countries, and its products are sold in over 140 countries. The principal executive offices of Covidien Ltd. are located at 131 Front Street, Hamilton, HM 12 Bermuda, and the telephone number at that address is (441) 298-2480.

Covidien plc. Covidien plc is a newly formed Irish company and is currently wholly owned by Covidien Ltd., except for 6 shares that are held by 6 nominee employees in trust for Covidien Ltd. to satisfy Irish legal requirements with respect to the shareholding structure of an Irish public limited company. Covidien plc has only nominal assets and capitalization and has not engaged in any business or other activities other than in connection with its formation and the Transaction. As a result of the Transaction, Covidien plc will become the parent holding company of Covidien Ltd. The principal executive offices of Covidien plc are located at Cherrywood Business Park, Block G, First Floor, Loughlinstown, Co. Dublin, Ireland, and the telephone number at that address is +353-439-3000.

The Reorganization (see page 30)

The Transaction will effectively change the place of incorporation of the company whose shares you own from Bermuda to Ireland.

Transaction. The Transaction involves several steps. Covidien Ltd., the Bermuda company whose common shares you currently own, formed Covidien plc, as a direct subsidiary. On _____, 2009, we petitioned the Supreme Court to order the calling of a meeting of Covidien Ltd. common shareholders to approve the Scheme of Arrangement. On _____, 2009, the Supreme Court ordered us to seek your approval of the Scheme of Arrangement. We will hold the special court-ordered meeting to approve the Scheme of Arrangement on _____, 2009. If we obtain the necessary shareholder approval, the Supreme Court will hold the Sanction Hearing, which is scheduled to be held on or about _____, 2009 to sanction the Scheme of Arrangement. Assuming we receive the necessary approvals from the shareholders and the Supreme Court and the conditions to consummation of the Transaction are satisfied (and we do not abandon the Transaction), we will file the court order sanctioning the Scheme of Arrangement with the Bermuda Registrar of Companies, at which time the Scheme of Arrangement will be effective. Various steps of the Transaction will occur effectively simultaneously at the Transaction Time, which we anticipate will be after the close of trading on the NYSE on the day the Scheme of Arrangement becomes effective, and before the opening of trading on the NYSE on the next business day.

At the Transaction Time, the following steps will occur effectively simultaneously:

1. all fractional shares of Covidien Ltd. held of record, if any, will be cancelled and Covidien Ltd. will pay to each holder of fractional shares that have been cancelled an amount based on the average of the high and low trading prices of Covidien Ltd. common shares on the NYSE on the business day immediately preceding the effective date of the Scheme of Arrangement;

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2. all previously outstanding whole common shares of Covidien Ltd. will be cancelled;
3. Covidien Ltd. will issue 100 common shares to Covidien plc (which will constitute all of Covidien Ltd.'s issued common shares at such time);
4. Covidien plc will issue ordinary shares on a one-for-one basis to the holders of whole Covidien Ltd. common shares that have been cancelled; and
5. all previously outstanding ordinary shares of Covidien plc, which prior to the Transaction Time will be held by Covidien Ltd. and its nominees, will be acquired by Covidien plc and cancelled for no consideration, in accordance with a resolution passed by Covidien Ltd. and such nominees.

As a result of the Transaction, the common shareholders of Covidien Ltd. will become ordinary shareholders of Covidien plc and Covidien Ltd. will become a wholly owned subsidiary of Covidien plc.

In connection with consummation of the Transaction:

Covidien plc will assume Covidien Ltd.'s existing obligations in connection with awards granted under Covidien Ltd.'s equity incentive plans and other similar employee awards;

Covidien plc will enter into a supplemental indenture to the indenture governing the senior notes issued by CIFSA, pursuant to which Covidien plc will guarantee the obligations of CIFSA under the indenture and supplemental indentures governing the senior notes; and

We will seek waivers under and/or amendments to CIFSA's five-year senior unsecured revolving credit facility in order to avoid a technical default that would otherwise result from Covidien Ltd. becoming a wholly owned subsidiary of Covidien plc in connection with the Transaction.

We refer to the foregoing transactions, together with the steps of the Transaction and the change in Covidien Ltd.'s tax residency from Bermuda to Ireland that was completed in December 2008, as the Reorganization.

In connection with consummation of the Transaction, the shares of Covidien Ltd. held as treasury shares immediately prior to the Transaction Time will be cancelled, and Covidien plc will issue an equal number of new ordinary shares to Covidien Ltd. As of February 27, 2009, there were 90,471 Covidien Ltd. shares held as treasury shares, and we do not expect this number to be materially different as of immediately prior to the Transaction Time.

Currently, the only fractional shares held of record are those that shareholders have acquired through the dividend reinvestment feature offered through our Investor Services Program. Prior to the Transaction Time, our Investor Services Program will be terminated, and all fractional shares held of record as a result of the operation of the dividend reinvestment feature of the Investor Services Program will be cancelled in exchange for a cash payment in connection with such termination. Accordingly, we expect that there will not be any fractional shares held of record at the Transaction Time.

As of February 27, 2009, there were 503,945,147 common shares of Covidien Ltd. outstanding. In addition, there were 13,060,254 common shares of Covidien Ltd. reserved for issuance pursuant to outstanding equity awards and an additional 7,435,595 common shares available for issuance but unissued under Covidien Ltd.'s incentive plans.

After the Transaction, you will continue to own an interest in a parent company that will continue to conduct the same business operations as conducted by Covidien Ltd. before the Transaction. Except for the effect of payment of cash in lieu of fractional shares held of record, if any, the number of shares you will own in Covidien plc will be the same as the number of shares you owned in Covidien Ltd. immediately prior to the

Transaction, and your relative economic interest in Covidien will remain unchanged.

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The completion of the Reorganization will change the governing law that applies to us from Bermuda law to Irish law. There are differences between Bermuda law and Irish law and between Covidien Ltd.'s memorandum of association and bye-laws on the one hand, and Covidien plc's memorandum and articles of association, as they will be in effect after the Transaction, on the other hand. Please see "Comparison of Rights of Shareholders and Powers of the Board of Directors" for a summary of some of these differences.

Upon completion of the Reorganization, we will remain subject to SEC reporting requirements, the mandates of the Sarbanes-Oxley Act and the applicable corporate governance rules of the NYSE, and we will continue to report our consolidated financial results in U.S. dollars and in accordance with U.S. GAAP. In addition, in connection with annual general meetings of Covidien plc, shareholders will receive IFRS Financial Statements in addition to the information shareholders already receive.

Reasons for the Reorganization (see page 31)

Covidien Ltd. is currently incorporated in Bermuda, a legacy from the Company's time as a wholly owned subsidiary of Tyco International. In 1997, Tyco International became a Bermuda company as the result of a merger with ADT, a publicly traded company that had been headquartered in Bermuda since the 1980s. Tyco International subsequently determined, in connection with its separation into three companies in mid-2007—Covidien Ltd., Tyco Electronics Ltd. and Tyco International—that each such company would remain incorporated in Bermuda.

After our first year as an independent healthcare products company, we revisited the decision regarding the location of our principal executive offices, and determined that it no longer remained appropriate to be located in Bermuda. The primary factor in reaching this decision was the possible adoption of various legislative and regulatory proposals introduced in the United States. These included proposals to limit tax treaty benefits to companies that are domiciled in countries like Bermuda, and various federal and state legislative proposals that would deny government contracts to companies that are located abroad in places like Bermuda. If enacted, we determined that these proposals, due to their potentially wide-ranging scope, could have a material and adverse impact on the Company and its shareholders. Consequently, following a thorough review, Covidien determined that moving from Bermuda is best for shareholders, employees and other stakeholders.

As a result of reaching this decision, the Company reviewed a number of alternatives with its board of directors and outside advisors, including incorporating in a number of different jurisdictions in the two major economic zones in which we operate: North America and Europe. We determined that incorporating in the United States would have negative financial consequences for Covidien and its shareholders by increasing our global effective tax rate, resulting in potentially significant declines in net income and earnings per share. We ultimately decided to incorporate in a European Union jurisdiction, given Covidien's already substantial and growing operations in Europe and given the introduction of various OECD and European Union proposals that could adversely affect companies incorporated in certain jurisdictions outside the OECD or the European Union, respectively. We selected Ireland after considering various factors, including the following:

Covidien has conducted operations in Ireland for nearly 30 years, is comfortable with the Irish business environment, and currently enjoys a strong and growing presence in the country. Ireland is an outward-looking country that has for many years supported exporting companies.

Currently, Covidien has 6 facilities, including 4 manufacturing sites, sales and customer service operations in Ireland. In total, Covidien has almost 2,000 employees in the country, making Ireland the home to the third-highest number of Covidien employees out of the 59 countries in which Covidien operates and the highest number of Covidien employees in Europe.

Ireland enjoys strong relationships as a member of the European Union, and has a long history of international investment and a good network of tax treaties with the United States, the European Union and many other countries where Covidien has major operations.

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Both Ireland and Bermuda are common law jurisdictions which we consider to be less prescriptive than many civil law jurisdictions. As a result, we believe Ireland's legal system to be more flexible, predictable and familiar to Covidien than that of a civil law system.

Ireland is an English-speaking country, is a member of the euro zone, and has a stable business, legal and regulatory environment.

Covidien continues to benefit from the incremental investments made over the last few years to augment its sales force and expand geographically in European, African and Asian markets. Ireland is a beneficial location considering Covidien's growing presence in these markets. We believe the Reorganization will offer increased strategic flexibility and operational benefits as we continue to expand the rapidly growing European, African and Asian portion of our business.

Ireland permits the payment of dividends in U.S. dollars.

We cannot assure you that the anticipated benefits of the Reorganization will be realized. In addition to the potential benefits described above, the Reorganization will expose you and us to some risks. These risks include the following: your rights as a shareholder will change due to differences between Bermuda and Irish law and between the governing documents of Covidien Ltd. and Covidien plc; the market for Covidien plc shares may differ from the market for Covidien Ltd. shares and Covidien plc's shares may be removed from the S&P 500 or other indices as a result of the Transaction; legislative action in the U.S. could materially, adversely affect us; the Reorganization may not allow us to maintain a competitive worldwide effective tax rate and may result in additional costs even if it is not completed; credit market volatility may make it difficult for us to obtain the appropriate waivers and/or amendments to our credit facility; we may choose to abandon the Transaction; if the distributable reserves proposal is not approved, Covidien plc may not be able to pay dividends or repurchase shares following the Transaction; increased shareholder voting requirements in Ireland will reduce our flexibility in some aspects of capital management; the transfer of Covidien plc shares after the Transaction may be subject to Irish stamp duty; and dividends paid after the Transaction may be subject to Irish dividend withholding tax or Irish income tax. Please see the discussion under Risk Factors. Our board of directors has considered both the potential advantages of the Reorganization and these risks and has unanimously approved the Scheme of Arrangement and recommended that the shareholders vote for the Scheme of Arrangement.

Tax Considerations (see page 41)

Under U.S. federal income tax law, holders of shares of Covidien Ltd. generally will not recognize gain or loss in the Transaction, except with respect to any cash received in lieu of fractional shares. Certain five percent or greater shareholders may, however, be required to timely enter into and maintain a gain recognition agreement to avoid recognizing a gain in the Transaction. Under Irish tax law, no tax is due for Covidien Ltd. shareholders in the Transaction (including on the receipt of cash in respect of fractional shares in the Transaction) unless such shareholders have some connection with Ireland other than holding Covidien plc shares. Please refer to Material Tax Considerations for a description of the material U.S. federal income tax and Irish tax consequences of the Transaction to Covidien Ltd. shareholders. Determining the actual tax consequences of the Transaction to you may be complex and will depend on your specific situation. You are urged to consult your tax advisor for a full understanding of the tax consequences of the Transaction to you.

Rights of Shareholders (see page 50)

Many of the principal attributes of Covidien Ltd.'s common shares and Covidien plc's ordinary shares will be similar. However, there are differences between your rights under Irish law and under Bermuda law. In addition, there are differences between Covidien Ltd.'s memorandum of association and bye-laws and Covidien plc's memorandum and articles of association as they will be in effect after the Transaction. We discuss these

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differences in detail under Description of Covidien plc Shares and Comparison of Rights of Shareholders and Powers of the Board of Directors. Copies of forms of Covidien plc's memorandum and articles of association as they will be in effect after the Transaction are attached to this proxy statement as Annex B.

Stock Exchange Listing (see page 60)

We expect that, immediately following the Transaction Time, the Covidien plc ordinary shares will be listed on the NYSE under the symbol COV, the same symbol under which your shares are currently listed. In connection with the Transaction, Covidien will terminate its listing on the Bermuda Stock Exchange. We do not plan to be listed on the Irish Stock Exchange at the present time.

Court Sanction of the Scheme of Arrangement (see page 33)

We cannot complete the Reorganization without the sanction of the Scheme of Arrangement by the Supreme Court. Subject to the common shareholders of Covidien Ltd. approving the Scheme of Arrangement, a Supreme Court hearing will be required to seek the sanction of the Scheme of Arrangement. At the Sanction Hearing, the Supreme Court may impose such conditions as it deems appropriate in relation to the Scheme of Arrangement but may not impose any material changes without the joint consent of Covidien Ltd. and Covidien plc. Covidien Ltd. may, subject to U.S. securities law constraints, consent to any modification of the Scheme of Arrangement on behalf of the shareholders which the Supreme Court may think fit to approve or impose. In determining whether to exercise its discretion and sanction the Scheme of Arrangement, the Supreme Court will determine, among other things, whether the Scheme of Arrangement is fair to Covidien Ltd. common shareholders.

Creation of Distributable Reserves (see page 40)

Under Irish law, Covidien plc requires distributable reserves in its unconsolidated balance sheet prepared in accordance with the Irish Companies Acts 1963-2006 (the Irish Companies Acts) to enable it to make distributions (including the payment of cash dividends) to its shareholders, or to redeem or buy back shares. Please see Description of Covidien plc Shares Dividends and Description of Covidien plc Shares Share Repurchases and Redemptions. Immediately following implementation of the Transaction, the unconsolidated balance sheet of Covidien plc will not contain any distributable reserves. The current shareholders of Covidien plc (which are Covidien Ltd. and its nominees) have passed a resolution that would create distributable reserves following the Transaction by reducing the share premium account of Covidien plc. If the Scheme of Arrangement is approved, and in connection with the Scheme of Arrangement and the Reorganization, shareholders of Covidien Ltd. also will be asked at the special court-ordered meeting to approve the creation of distributable reserves of Covidien plc that was previously approved by Covidien Ltd. and the other current shareholders of Covidien plc. If the shareholders of Covidien Ltd. approve the creation of distributable reserves and the Transaction is completed, we will seek to obtain the approval of the Irish High Court, which is required for the creation of distributable reserves to be effective, as soon as practicable following implementation of the Transaction. The approval of the High Court is expected to be obtained within three to four weeks of the consummation of the Transaction. Please see Risk Factors.

Market Price and Dividend Information (see page 93)

On December 22, 2008, the last trading day before the public announcement of the Transaction, the closing price of the Covidien Ltd. common shares on the NYSE was \$37.16 per share. On _____, 2009, the most recent practicable date before the date of this proxy statement, the closing price of the Covidien Ltd. common shares was \$ _____ per share.

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No Appraisal Rights (see page 37)

Under Bermuda law, the shareholders of Covidien Ltd. do not have any right to an appraisal of the value of their shares or payment for them in connection with the Transaction.

Accounting Treatment of the Transaction (see page 38)

Under U.S. GAAP, the Transaction represents a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at cost. Accordingly, the assets and liabilities of Covidien plc will be reflected at their carrying amounts in the accounts of Covidien Ltd. at the Transaction Time.

Special Court-Ordered Meeting (see page 87)

Time, Place, Date and Purpose. The special court-ordered meeting will be held on _____, 2009 at 10 a.m., Eastern Time, at 15 Hampshire Street, Mansfield, Massachusetts 02048. At the meeting, Covidien Ltd.'s board of directors will ask the common shareholders to vote:

1. to approve the Scheme of Arrangement, pursuant to which the holders of Covidien Ltd. common shares will have their common shares of Covidien Ltd. cancelled and will receive new ordinary shares, par value \$0.20 per share, of Covidien plc on a one-for-one basis with outstanding Covidien Ltd. common shares (or, in the case of fractional shares held of record, if any, cash);
2. if the Scheme of Arrangement is approved, and in connection with the Scheme of Arrangement and the Reorganization, to approve the creation of distributable reserves of Covidien plc (through the reduction of the share premium account of Covidien plc) that was previously approved by Covidien Ltd. and the other current shareholders of Covidien plc (as described in this proxy statement); and
3. to approve a motion to adjourn the meeting to a later date to solicit additional proxies if there are insufficient proxies to approve the Scheme of Arrangement at the time of the meeting.

If any other matters properly come before the meeting or any adjournments or postponements of the meeting, the persons named in the proxy card will vote the shares represented by all properly executed proxies in their discretion.

Record Date. Only holders of record of Covidien Ltd. common shares on _____, 2009 are entitled to notice of and to vote at the meeting or any adjournments or postponements of the meeting.

Quorum. The presence, in person or by proxy, of the holders of a majority of the common shares outstanding and entitled to vote at the meeting constitutes a quorum. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum in respect of the proposals.

Recommendation of the Board of Directors (see page 37)

The Covidien Ltd. board of directors unanimously recommends that Covidien Ltd.'s shareholders vote **FOR** the proposal to approve the Scheme of Arrangement, **FOR** the distributable reserves proposal and **FOR** the proposal to adjourn the meeting to a later date if there are insufficient proxies to approve the Scheme of Arrangement at the time of the meeting. Approval of the distributable reserves proposal is not a condition to the Transaction. Approval of the adjournment proposal is not a condition to the Transaction or the creation of distributable reserves.

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Required Vote (see page 87)

The Scheme of Arrangement requires the affirmative vote of a majority in number of the holders of the Covidien Ltd. common shares present and voting on the proposal at the meeting, whether in person or by proxy, representing 75% or more in value of the common shares present and voting on the proposal at the meeting, whether in person or by proxy. The affirmative vote of holders of at least a majority of the Covidien Ltd. common shares present in person or by proxy at the meeting and voting on the proposal is required to approve the distributable reserves proposal. The affirmative vote of holders of at least a majority of the Covidien Ltd. common shares present in person or by proxy at the meeting and voting on the proposal is required to approve the adjournment proposal. Please see The Special Court-Ordered Meeting Record Date; Voting Rights; Vote Required for Approval.

Proxies (see page 88)

General. A proxy card is being sent to each shareholder as of the record date. If you properly received a proxy card, you may grant a proxy to vote on the proposals by marking your proxy card appropriately, executing it in the space provided, dating it and returning it to us. If you hold your shares beneficially in the name of a broker, you should follow the instructions provided by your broker when voting your shares. If you have timely submitted a properly executed proxy card or appointed your proxy and provided your voting instructions on the Internet and clearly indicated your votes, your shares will be voted as indicated.

Revocation. You may revoke your proxy at any time prior to its exercise by:

giving timely written notice of the revocation to the Secretary of Covidien Ltd.;

appearing at the meeting, notifying the Secretary of Covidien Ltd. and voting in person;

granting another proxy on the Internet; or

properly completing and executing a later-dated proxy and delivering it to the Secretary of Covidien Ltd. at or before the meeting. However, your attendance at the meeting alone will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow the procedure provided by your broker to change those instructions.

Selected Historical Financial and Other Data

The following table presents selected historical financial and other data for Covidien Ltd. The statement of income data for the quarters ended December 26, 2008 and December 28, 2007 and the balance sheet data at December 26, 2008 and December 28, 2007 have been derived from our unaudited condensed consolidated financial statements. The statement of income data for fiscal years 2008, 2007, 2006 and 2005 and the balance sheet data at September 26, 2008, September 28, 2007 and September 29, 2006 are derived from our audited consolidated and combined financial statements. The statement of income data for fiscal year 2004 and the balance sheet data at September 30, 2005 and September 30, 2004 are derived from our unaudited combined financial statements. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth herein.

The selected historical financial and other data presented below should be read in conjunction with the financial statements and accompanying notes and Management's Discussion and Analysis of Financial

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Condition and Results of Operations included in Covidien Ltd.'s Annual Report on Form 10-K for the year ended September 26, 2008 and Quarterly Report on Form 10-Q for the quarter ended December 26, 2008, and other financial information incorporated by reference in this proxy statement. Results of operations for the quarter ended December 26, 2008 may not be indicative of the results of operations that may be achieved for the entire year. In addition, the historical financial information may not be indicative of Covidien plc's future performance. Historical financial information for the periods prior to our separation from Tyco International on June 29, 2007 do not necessarily reflect what our financial position and results of operations would have been had we been operating as an independent, publicly traded company during those periods.

We have included no data for Covidien plc because this entity was not in existence during any of the periods shown below.

| | Quarter Ended | | Fiscal Year | | | | |
|---|-------------------|-------------------|-------------|----------|----------|----------|----------|
| | December 26, 2008 | December 28, 2007 | 2008 | 2007 | 2006 | 2005 | 2004 |
| (dollars in millions, except per share data) | | | | | | | |
| Statement of Income Data: | | | | | | | |
| Net sales | \$ 2,458 | \$ 2,316 | \$ 9,910 | \$ 8,895 | \$ 8,313 | \$ 8,268 | \$ 7,803 |
| Research and development expense | 92 | 78 | 341 | 260 | 248 | 221 | 204 |
| In-process research and development charges | | 12 | 22 | 38 | 63 | | |
| Restructuring charges | 3 | 5 | 77 | 57 | | | |
| Operating income ⁽¹⁾ | 531 | 455 | 1,946 | 585 | 2,052 | 2,011 | 2,033 |
| Interest expense, net | (38) | (48) | (166) | (153) | (139) | (163) | (191) |
| Other income (expense), net ⁽²⁾ | 10 | 180 | 199 | (135) | (13) | (248) | (70) |
| Income from continuing operations before income taxes | 503 | 587 | 1,979 | | | | |