

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

IN RE BRISTOL-MYERS SQUIBB SECURITIES
LITIGATION

Civil Action No. 00-1990 (SRC)

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the "Stipulation") is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into among (i) the Lead Plaintiff, the LongView Collective Investment Fund of the Amalgamated Bank ("LongView" or "Lead Plaintiff"), on behalf of itself and as representative of the Class (as hereinafter defined) in In re Bristol-Myers Squibb Securities Litigation, Civil Action No. 00-1990 (SRC); and (ii) defendants Bristol-Myers Squibb Company ("BMS", "Bristol-Myers Squibb" or the "Company"), Peter R. Dolan, Charles A. Heimbold and Peter S. Ringrose (collectively, the "Defendants"), by and through their respective counsel. The Lead Plaintiff and the Defendants are referred to herein as the "Parties".

WHEREAS:

A. Beginning on April 25, 2000, at least fourteen class actions alleging violations of federal securities laws – Sykes v. Bristol-Myers Squibb Co., 00-1990 (GEB); Singer v. Bristol-Myers Squibb Co., 00-2013 (GEB); Lisanti v. Bristol-Myers Squibb Co., 00-2014 (GEB); Bernstein v. Bristol-Myers Squibb Co., 00-2046 (GEB); Shamoun v. Bristol-Myers Squibb Co., 00-2171 (GEB); Howard Gunty Profit Sharing Plan v. Bristol-Myers Squibb Co., 00-2191 (GEB); Yopp v. Bristol-Myers Squibb Co., 00-2192 (GEB); Frankel v. Bristol-Myers Squibb Co., 00-2250 (GEB); Goldsmith v. Bristol-Myers Squibb Co., 00-2251 (GEB); Stepak v. Bristol-Myers Squibb Co., 00-2295 (GEB); Chen v. Bristol-Myers Squibb Co., 00-2326 (GEB);

Tavin v. Bristol-Myers Squibb Co., 00-2456 (GEB); Bellocco v. Bristol-Myers Squibb Co., 00-2948 (GEB); and Robert E. Wells Living Trust v. Bristol-Myers Squibb Co., 00-3028 (GEB)—were filed in this Court. By Order filed July 28, 2000, these actions were consolidated under lead case number 00-1990 (GEB) (the “Action”) and the Court also appointed LongView as lead plaintiff and Labaton Sucharow & Rudoff LLP as lead counsel for the proposed class.

B. The Consolidated Class Action Complaint, filed August 21, 2000; the First Amended Consolidated Class Action Complaint, filed May 14, 2002; the Proposed Second Amended Consolidated Class Action Complaint, filed June 6, 2003; and the Second Amended Consolidated Class Action Complaint, filed August 30, 2005, in the Action (the “Complaints”) generally alleged, among other things, that during the Class Period, October 19, 1999 through and including March 20, 2002, Defendants issued materially false and misleading press releases and other statements regarding Vanlev and BMS’s financial condition in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder. The Proposed Second Amended Consolidated Class Action Complaint was treated by Lead Plaintiff as the operative complaint during certain times in the Action.

C. The Defendants have denied and continue to deny any wrongdoing whatsoever. This Stipulation, whether or not consummated, any proceedings relating to any settlement, or any of the terms of any settlement, whether or not consummated, shall in no event be construed as or deemed to be evidence of or an admission or concession on the part of any Defendant with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in any defense that the Defendants have or could have asserted. Defendants state that they are entering into this settlement to eliminate the burden and expense of further litigation.

D. Lead Plaintiff believes that the claims asserted in the Action have merit and the evidence developed to date supports the claims asserted. However, counsel for Lead Plaintiff recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and appeals. Counsel for Lead Plaintiff also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Action, as well as the difficulties and delays inherent in such litigation. Counsel for Lead Plaintiff also are mindful of the inherent problems of proof under and possible defenses to the violations asserted in the Action. Counsel for Lead Plaintiff believes that the settlement set forth in this Stipulation confers substantial benefits upon the Class. Based on their evaluation, counsel for Lead Plaintiff have determined that the settlement set forth in the Stipulation is in the best interests of Lead Plaintiff and the Class.

NOW, THEREFORE, without any admission or concession on the part of Lead Plaintiff of any lack of merit of the Action whatsoever, and without any admission or concession on the part of Defendants as to the merit of the Action, or as to any liability or wrongdoing whatsoever by Defendants, it is hereby STIPULATED AND AGREED, by and among the Parties, through their respective attorneys, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the parties hereto from the Settlement, that all Settled Claims (as defined below) as against the Released Parties (as defined below) shall be compromised, settled, released and dismissed with prejudice, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:

(a) “Authorized Claimant” means a Class Member that submits a timely and valid Proof of Claim form to the Claims Administrator.

(b) “Claimant” means a person or entity that submits a Proof of Claim form to the Claims Administrator seeking to share in the proceeds of the Settlement of this Action.

(c) “Claims Administrator” means the firm to be retained by Plaintiffs’ Lead Counsel which shall process Proofs of Claim and administer the settlement payments to Authorized Claimants.

(d) “Class” and “Class Members” mean for purposes of this Stipulation only, all persons or entities who purchased Bristol-Myers Squibb common stock during the period from October 19, 1999 through March 20, 2002, inclusive (the “Class Period”), and who were damaged thereby. Excluded from the Class are: (i) the Defendants; (ii) members of the immediate family of the Individual Defendants; (iii) any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest; and (iv) the legal representatives, agents, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are any putative Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.

(e) “Class Distribution Order” means an order of the Court approving the Claims Administrator’s administrative determinations concerning the acceptance and rejection of the claims submitted herein and approving any fees and expenses not previously applied for, including the fees and expenses of the Claims Administrator, and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

(f) “Class Period” means, for the purposes of this Stipulation only, the period of time from October 19, 1999, through March 20, 2002, inclusive.

(g) "Court" means the United States District Court for the District of New Jersey, the Honorable Stanley R. Chesler presiding.

(h) "Defendants' Counsel" means the law firms of Cravath, Swaine & Moore LLP and McCarter & English.

(i) "Effective Date" means the date upon which the Settlement contemplated by this Stipulation shall become effective as provided in paragraph 22 below.

(j) "Escrow Account" means an interest-bearing escrow account into which the Settlement Amount shall be deposited. The Escrow Account shall be maintained by Plaintiffs' Lead Counsel and, until the Judgment becomes Final, counsel for BMS.

(k) "Escrow Agreement" means the escrow agreement between Cravath, Swaine & Moore LLP, Plaintiffs' Lead Counsel, and a third party to be determined by mutual agreement of the parties (the "Escrow Agent"). The Escrow Agreement shall provide that upon the Judgment becoming Final, counsel for the Company shall have no further authority over the Escrow Account.

(l) "Final" means: (i) if the Judgment is appealed and affirmed, the day after the expiration of the time in which a party could seek, but did not, a petition for a writ of certiorari, (ii) if, after any affirmance of the Judgment, a person seeks a petition for a writ of certiorari, the day after any such petition for a writ of certiorari is denied, (iii) if no appeal is filed, the day after the expiration date of the time for the filing or noticing of any appeal from the Court's Judgment approving the Stipulation, *i.e.*, thirty (30) days after entry of the Judgment, such that the Judgment represents a final, unappealable and binding judgment with respect to the Litigation. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to any plan of allocation and/or application for attorneys' fees or expenses, shall not in any way delay or preclude the Judgment from becoming Final.

(m) "Individual Defendants" means Peter R. Dolan, Charles A. Heimbold, Jr. and Peter S. Ringrose.

(n) "Judgment" means the proposed judgment to be entered approving the Settlement substantially in the form attached hereto as Exhibit B.

(o) "Net Settlement Fund" means the Settlement Fund less (i) Court awarded attorneys' fees and expenses; (ii) Notice and Administration Expenses, up to two million dollars (\$2,000,000); (iii) any required Tax or Tax Expense payments; and (iv) any other fees or expenses approved by the Court.

(p) "Notice" means the Notice of Pendency and Proposed Settlement of Class Action, which is to be sent to members of the Class substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(q) "Notice and Administration Expenses" means all expenses incurred in connection with the preparation, printing and mailing of the Notice to the Class; publication of the Publication Notice; and all expenses of settlement administration.

(r) "Person" means an individual, corporation, general or limited partnership, association, joint stock company, joint venture, limited liability company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof and any other business or legal entity and its heirs, predecessors, successors, representatives or assigns.

(s) "Plaintiffs" means Lead Plaintiff and all other plaintiffs enumerated in paragraph A above.

(t) "Plaintiffs' Lead Counsel" means the law firm of Labaton Sucharow & Rudoff LLP.

(u) "Plan of Allocation" means the plan and procedures for allocating the Net Settlement Fund to be distributed to Authorized Claimants and approved by the Court.

(v) "Preliminary Approval Order" means the proposed order preliminarily approving the Settlement and directing notice thereof to the Class substantially in the form attached hereto as Exhibit A.

(w) "Proof of Claim" or "Proof of Claim Form" means the proof of claim and release form substantially in the form attached as Exhibit 2 to Exhibit A hereto.

(x) "Publication Notice" means the Summary Notice of Pendency and Proposed Settlement of Class Action substantially in the form attached as Exhibit 3 to Exhibit A.

(y) "Released Defendant Parties" means any and all of the Defendants and/or their current or former respective agents, servants, attorneys, internal auditors, investment advisors, underwriters, officers, directors and employees, partners, subsidiaries, affiliates, insurers, stockholders, heirs, executors, representatives, parents, predecessors, successors, assigns, trusts, benefits committees or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants or any of the parties listed above, except Released Defendant Parties does not include the Company's outside auditors.

(z) "Released Parties" means the Released Defendant Parties and the Released Plaintiff Parties, collectively.

(aa) "Released Plaintiff Parties" means any and all of the Plaintiffs and/or their current or former respective agents, servants, attorneys, internal auditors, investment advisors, underwriters, officers, directors and employees, partners, subsidiaries, affiliates, insurers, stockholders, heirs, executors, representatives, parents, partners, predecessors, successors,

assigns, trusts, benefits committees or other individual or entity in which any Plaintiff has a controlling interest or which is related to or affiliated with any of the Plaintiffs or any of the parties listed above.

(bb) "Settled Claims" means the Settled Plaintiffs' Claims and the Settled Defendants' Claims, collectively.

(cc) "Settled Defendants' Claims" means any and all claims which Defendants may have that could have been asserted by Defendants against any of the Plaintiffs, or their attorneys, which arise out of or relate in any way to the institution, prosecution to the date of Settlement of the Action or the Settlement of the Action, except claims relating to the enforcement of the Settlement of the Action.

(dd) "Settled Plaintiffs' Claims" means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation (whether foreign or domestic), including both known claims and unknown claims, accrued claims and not accrued claims, foreseen claims and unforeseen claims, matured claims and not matured claims, that have been or could have been asserted from the beginning of time to the end of time in any forum by the Class Members or any of them against any of the Released Defendant Parties, which arise out of or relate in any way to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, referred to in this Action or that could have been asserted relating to the purchase, transfer or acquisition of shares of the common stock of BMS during the Class Period, except "Settled Plaintiffs' Claims" does not include claims relating to the enforcement of the settlement of the Action. With respect to the release of Settled Plaintiffs' Claims, it is the intention of the Lead Plaintiffs and Class Members to expressly waive and relinquish, to the fullest extent permitted by law: (a) the provisions, rights, and benefits of Section 1542 of the

California Civil Code, which provides that: A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor; and (b) the provisions, right and benefits of any similar statute or common law of any other jurisdiction that may be, or may be asserted to be, applicable.

(ee) "Settlement" means the settlement contemplated by this Stipulation.

(ff) "Settlement Amount" means the one hundred eighty-five million dollars (\$185,000,000) cash discussed in paragraph 4(a) below.

(gg) "Settlement Fairness Hearing" means the hearing held to determine whether the proposed Settlement embodied by the Stipulation is fair, reasonable and adequate to the Class, and whether the Court should enter the Judgment approving the proposed Settlement.

(hh) "Settlement Fund" means the principal amount of one hundred eighty-five million dollars (\$185,000,000) cash plus any interest that may accrue thereon as provided for herein.

(ii) "Taxes" means any taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any taxes or tax detriments to which Defendants may be subject (as computed on a "first-dollar" basis) with respect to (i) any income earned by the Settlement Fund for any period during which the Settlement Fund is not treated, or does not qualify, as a "qualified settlement fund" for federal or state income tax purposes; and (ii) the payment or reimbursement of the Settlement Fund of any taxes or tax detriments described in clause (i).

(jj) "Tax Expenses" means expenses and costs incurred in connection with the operation and implementation of paragraph 7 (including expenses of tax attorneys and/or

accountants and mailing and distribution costs and expenses relating to filing, or failing to file, the returns described in paragraph 7).

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action and any and all Settled Claims as against any and all Released Parties.

3. (a) By operation of the Judgment, upon the Effective Date of this Settlement, the Lead Plaintiff and all other Class Members, on behalf of themselves and their respective heirs, executors, administrators, successors and assigns and all persons acting in concert with any such person, shall, with respect to each and every Settled Plaintiffs' Claim, waive, release, forever discharge and dismiss and agree not to institute, maintain or prosecute any or all Settled Plaintiffs' Claims against any or all of the Released Defendant Parties, and shall be permanently and finally enjoined without the necessity of posting a bond from commencing or prosecuting any actions or other proceedings asserting any of the Settled Plaintiffs' Claims either directly, indirectly, representatively, derivatively or in any other capacity against any of the Released Defendant Parties herein. This injunction expressly extends to all claims covered by this Stipulation and all Class Members defined herein.

(b) By operation of the Judgment, upon the Effective Date of this Settlement, each of the Defendants, on behalf of themselves and their respective heirs, executors, administrators, successors and assigns and all persons acting in concert with any such person, shall waive, release and forever discharge each and every of the Settled Defendants' Claims, and shall forever be enjoined from instituting, maintaining or prosecuting any or all of the Settled Defendants' Claims as against any and all of the Released Plaintiff Parties.

THE SETTLEMENT CONSIDERATION

4. (a) BMS, on behalf of itself and all Defendants, will pay, in settlement of the Settled Plaintiffs' Claims of Lead Plaintiff and all the other members of the Class herein, one hundred eighty-five million dollars (\$185,000,000) cash, to be deposited in the Escrow Account within ten (10) business days after entry of the Preliminary Approval Order.

(b) The Escrow Agent shall invest the Settlement Fund deposited pursuant to ¶ 4(a) above in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. The Escrow Agent shall be responsible for the investment of the Settlement Fund.

(c) The Escrow Agent shall not disburse the Settlement Fund except as provided in the Stipulation, by an order of the Court, or with the prior written agreement of counsel for the Defendants and Plaintiffs' Counsel.

(d) Subject to further order and/or directions as may be made by the Court, the Escrow Agent is authorized to execute such transactions on behalf of the Class Members as are consistent with the terms of the Stipulation.

(e) All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

(f) BMS agrees to publicly disclose certain information regarding its clinical studies as described in Exhibit C to this Stipulation and Agreement of Settlement.

ATTORNEYS' FEES AND EXPENSES

5. (a) Plaintiff's Lead Counsel will apply to the Court for a collective award of attorney fees not to exceed 20% of the Settlement Fund, subject to such reduction of that percentage as may be agreed to by Lead Plaintiff and Plaintiffs' Lead Counsel. Plaintiffs' Lead Counsel will also apply to the Court for reimbursement of collective litigation expenses, plus any interest on attorneys' fees, costs and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court ("Fee and Expense Application"). Defendants take no position with respect to Plaintiffs' Lead Counsel's collective Fee and Expense Application. Such matters are not the subject of any agreement between the Parties. Lead Plaintiffs' Counsel may make a supplemental application to the Court for an award of attorneys' fees and expenses with respect to post-settlement proceedings and administration, including but not limited to expenses related to cost of notice.

(b) The attorneys' fees, expenses and costs, including the fees of experts and consultants, as awarded by the Court (the "Fee and Expense Award"), shall be paid to Lead Plaintiffs' Counsel from the Settlement Fund, as ordered, immediately after the Court executes an order awarding such fees and expenses. In the event that the Effective Date does not occur, or the Judgment or the order making the Fee and Expense Award is reversed or modified, or the Stipulation is cancelled or terminated for any other reason, and in the event that the Fee and Expense Award has been paid to any extent, then Plaintiffs' Counsel shall within five (5) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction, refund to the Settlement Fund, the fees, expenses and costs previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Lead Plaintiffs' Counsel will remain

severally liable for those amounts disbursed to Plaintiffs' Counsel, should any repayment of the amounts be required.

(c) The procedure for and the allowance or disallowance by the Court of the Fee and Expense Application are not part of the settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the Stipulation. Any order or proceedings relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the settlement of the Litigation set forth herein.

ADMINISTRATION EXPENSES

6. Plaintiffs' Lead Counsel shall be solely responsible for designating a Claims Administrator. The Claims Administrator shall administer the Settlement under Plaintiffs' Lead Counsel's supervision and subject to the jurisdiction of the Court. Defendants will not have any responsibility for, involvement in, or liability for, and Defendants will not be requested or required to pay any costs, fees or expenses in connection with, providing notice to the Settlement Class, the administration of the Settlement, the allocation of the Settlement proceeds, or the reviewing or challenging of claims of Class Members. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms, including providing information from BMS's transfer records concerning the identity of Class Members and their transactions.

TAX TREATMENT AND ADMINISTRATION

7. (a) The Parties agree that the Settlement Fund is intended to be, and shall be treated as being, a "qualified settlement fund" within the meaning of Treasury

Regulation 1.468B-1. For purposes of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “Administrator” shall be the Escrow Agent.

(b) The Administrator and, as required, the Parties, shall timely make such elections as necessary or advisable to carry out the provisions of this paragraph 7, including the “relation-back election” (as defined in Treasury Regulation 1.468B-1) back to the earliest permitted date. The Administrator shall timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and shall cause the appropriate filings to occur.

(c) The Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including the returns described in Treasury Regulation 1.468B-2(k) and (l) and the “§ 1.468B-3 Statement”). Such returns shall reflect that all Taxes shall be paid out of the Settlement Fund.

(d) Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid or reimbursed by the Administrator out of the Settlement Fund without prior order from the Court. The Administrator shall reimburse the Defendants out of the Settlement Fund for Taxes and Tax Expenses to which the Defendants are subject. The Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution out of the Settlement Fund any funds necessary to pay or reimburse any Taxes or Tax Expenses, including the establishment of adequate reserves for any Taxes and Tax Expenses, as well as any amounts that may be required to be withheld under Treasury Regulation 1.468B-2(l)(2).

(e) It is the sole responsibility of the Class Members to pay taxes, plus any penalties and interest, on any amounts received pursuant to the Settlement that are construed to be income, and the Defendants shall have no liability for such taxes, penalties or interest.

8. All reasonable Notices and Administration Expenses shall be paid from the Settlement Fund when incurred. Plaintiffs' Lead Counsel may draw on the Settlement Fund in an amount up to \$2,000,000 to pay the actual costs of Notice and Administration Expenses incurred prior to the Settlement Fairness Hearing. For the avoidance of doubt, this paragraph 8 shall not apply to Taxes and Tax Expenses, which shall be governed by paragraph 7.

9. Plaintiffs' Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for the Class Distribution Order: (i) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted herein; (ii) approving, in the event that the reasonable Notice and Administration Expenses exceed the \$2,000,000 from the Settlement Fund described in paragraph 8, payment from the Settlement Fund of any Notice and Administration Expenses exceeding \$2,000,000 associated with the administration of the Settlement Fund; and (iii) if the Effective Date has occurred, directing payment of the Net Settlement Fund to the Authorized Claimants.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

10. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon a reasonable Plan of Allocation to be proposed by Plaintiffs' Lead Counsel and approved by the Court. The Defendants will take no position with respect to such proposed Plan of Allocation.

11. The Plan of Allocation to be proposed by Plaintiffs' Lead Counsel is not a necessary term of this Stipulation, and it is not a condition of this Stipulation that any particular

Plan of Allocation be approved. Any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of this Stipulation or the Settlement.

12. Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its recognized claim compared to the total recognized claims of all Authorized Claimants. This is not a claims-made settlement. The Defendants shall not be entitled to get back any of the Settlement Amount once the Effective Date has occurred. The Defendants shall have no involvement in reviewing or challenging claims.

ADMINISTRATION OF THE SETTLEMENT

13. Any Member of the Class who does not submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred and enjoined from bringing any action against the Released Defendant Parties concerning the Settled Plaintiffs' Claims.

14. Plaintiffs' Lead Counsel shall be solely responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Except for the obligation to pay the Settlement Amount and to provide reasonable cooperation in the production of information and with respect to the identification of Class Members from BMS's shareholder transfer records, Defendants shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Settlement Fund or Net Settlement Fund. Plaintiffs' Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim submitted in the interests of achieving substantial justice.

15. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant", the following conditions shall apply:

(a) Each Class Member shall be required to submit a Proof of Claim (substantially in the form of Exhibit 2 to Exhibit A hereto), signed under penalty of perjury and supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as Lead Plaintiffs' Counsel, in their discretion, may deem acceptable and subject to the approval of the Court;

(b) All Proofs of Claim must be submitted by the date specified in the Notice unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Stipulation (unless, by Order of the Court, a later submitted Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Settled Plaintiffs' Claims. Provided that it is received before the motion for the Class Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed first-class postage prepaid and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Plaintiffs' Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate

with the Claimant in order to afford the Claimant the opportunity to remedy curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Plaintiffs' Lead Counsel, shall notify, in a timely fashion and in writing, all Claimants whose Proofs of Claim they propose to reject in whole or in part, setting forth the reasons therefore, and shall indicate in such notice that the Claimant whose claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any Claimant whose claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentations, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Lead Counsel shall thereafter present the request for review to the Court; and

(f) *The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to Defendants' Counsel, for approval by the Court in the Class Distribution Order.*

16. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and amount of the Claimant's claim. No discovery shall be allowed on the merits of the Action or the Settlement.

17. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Settled Plaintiffs' Claims.

18. Any member of the Class wishing to be excluded from the Class shall mail a written request for exclusion, in the manner set forth in the Preliminary Approval Order.

19. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all claims have been processed, and all Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefore has expired; (iii) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefore has expired, and (iv) all costs of administration, Taxes and Tax Expenses have been paid. If the funds remaining in the Settlement Fund following pro rata distribution(s) to all Authorized Claimants is such an amount that it is not cost effective or efficient to redistribute the amount to the Class, then such remaining funds, after payment of any further Notice and Administration Expenses, Taxes and Tax Expenses, shall be contributed to not-for-profit organizations designated by Lead Plaintiff and Plaintiffs' Lead Counsel.

TERMS OF PRELIMINARY APPROVAL ORDER

20. Promptly after this Stipulation has been fully executed, Plaintiffs' Lead Counsel and Defendant' Counsel jointly shall apply to the Court for entry of a Preliminary Approval Order, substantially in the form annexed hereto as Exhibit A. During the period from the entry of the Preliminary Approval Order to the Effective Date, each of the Parties, and their respective heirs, executors, administrators, successors and assigns and all persons acting in concert with any such person, agree not to institute, maintain or prosecute any or all Settled Claims against any or all of the Released Parties.

TERMS OF JUDGMENT

21. If the Settlement contemplated by this Stipulation is approved by the Court, Plaintiffs' Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

22. The Effective Date of this Settlement shall be the date when all the following shall have occurred:

- (a) entry of the Preliminary Approval Order in all material respects in the form annexed hereto as Exhibit A;
- (b) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and
- (c) a Judgment, in all material respects in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final, or, in the event that the Court enters a judgment in form other than that provided above ("Alternative Judgment") and none of the signatories hereto elects to terminate this Settlement, the date that such Alternative Judgment becomes Final.

23. Defendants' Counsel and Plaintiffs' Lead Counsel shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other signatories hereto, within thirty (30) days of: (a) the Court's declining to enter the Preliminary Approval Order in any material respect; (b) the Court's refusal to approve this Stipulation or any material part of it; (c) the Court's declining to enter the Judgment in any material respect; (d) the date upon which the Judgment is modified, reversed or vacated in any material respect by the Court of Appeals or the Supreme Court; or (e) the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

24. For purposes of this Settlement only, the Lead Plaintiff and Defendants agree to (a) certification of the Action as a class action pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3) for the Class Period of October 19, 1999, through March 20, 2002, inclusive; (b) appointment of Lead Plaintiff as class representative; and (c) appointment of Plaintiffs' Lead Counsel as class counsel pursuant to Fed. R. Civ. P. 23(g). Should the Class not be certified as agreed by the Parties or should any court amend the scope of the Class, each of the Parties reserves the right to void this Settlement.

25. In the event this Settlement does not become final for any reason, neither Lead Plaintiff nor any other putative member of the putative class may or will use the fact of execution of this Stipulation consenting to certification of the Class for settlement purposes as a basis to argue that Defendants have in any way circumscribed their ability to oppose, for any reason, certification of such a Class other than for settlement purposes.

26. Defendants shall have the option to terminate the Settlement and this Stipulation in the event that putative members of the Class who purchased, in aggregate, in excess of 10% of the BMS common stock purchased by all putative Class Members during the

Class Period, have properly elected to exclude themselves in accordance with the requirements for requesting exclusion provided in the notices to be sent to putative Class Members in this Action. With respect to exclusions received with respect to this Action, Defendants shall have up to 5:00 p.m. Eastern time on the second business day prior to the Settlement Fairness Hearing to give notice in writing to Plaintiffs' Lead Counsel that they elect to exercise their option to terminate. Plaintiffs' Lead Counsel and Defendants' Counsel shall jointly request that the deadline for submitting exclusions from this Action be set fourteen (14) days prior to the Settlement Fairness Hearing. Copies of all requests for exclusion from the Class herein received by the Claims Administrator (or other person designated to receive exclusion requests) shall be provided to Defendants no later than ten (10) days prior to the Settlement Fairness Hearing. Plaintiffs' Lead Counsel shall cause the Claims Administrator (or other person designated to receive exclusion requests) to provide to Defendants' Counsel, no later than ten (10) days prior to the Settlement Fairness Hearing, a list of all persons or entities requesting exclusion and the amounts of the securities purchased by each person or entity requesting exclusion (as set forth in each exclusion request) and to certify, no later than five (5) days prior to the Settlement Fairness Hearing, that all requests for exclusion received have been copied and provided to Defendants' Counsel.

27. If the Settlement is not approved by the Court for whatever reason or the Judgment or Alternative Judgment does not become Final for whatever reason, then (a) the Settlement shall be terminated without prejudice, and none of its terms shall be effective or enforceable, except to the extent that any Notice of Administration Expenses have been incurred or expended pursuant to paragraphs 8 and 9, and except that the obligations in paragraph 25 survive such termination; (b) the Parties shall revert to their litigation positions immediately prior to the execution of this Stipulation; and (c) the fact and terms of the Settlement and all

settlement discussions shall not be admissible in any trial of this Action or any other proceeding, including, but not limited to, for purposes of obtaining certification of a class other than for settlement purposes.

28. Except as otherwise provided herein, in the event the Settlement is terminated or fails to become effective for any reason, then (i) the Settlement Amount, together with any interest accrued thereon, less any Taxes due with respect to such interest, shall be immediately returned to BMS; provided, however, that costs of notice and administration actually incurred and paid or payable pursuant to paragraphs 8 and 9, plus the fees, if any, of the escrow agent, will be deducted from the Settlement Amount; and (ii) except as otherwise expressly provided, the parties shall proceed in all respects as if this Stipulation and any related orders had not been entered.

29. Except as otherwise provided herein, the Settlement Amount shall remain in the Escrow Account pending (i) final approval of the Settlement by the Court; (ii) the issuance of a judgment approving the Settlement and dismissing with prejudice all claims asserted in the Action; (iii) the expiration of all rights of appeal in any court; and (iv) the final denial of any and all appeals or objections or collateral attacks or challenges to the Settlement.

NO ADMISSION OF WRONGDOING

30. This Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) does not constitute, and shall not be offered or received against the Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that had been or could have

been asserted in the Action or in any litigation, including but not limited to the Settled Plaintiffs' Claims, or of any liability, negligence, fault, or wrongdoing of the Defendants;

(b) does not constitute, and shall not be offered or received against the Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant, or against the Lead Plaintiff or any other members of the putative Class as evidence of any infirmity in the claims of Lead Plaintiff or the other members of the putative Class;

(c) does not constitute, and shall not be offered or received against the Defendants or against the Lead Plaintiff or any other members of the putative Class, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to this Stipulation, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, Defendants may refer to it to effectuate the liability protection granted them under applicable insurance policies;

(d) does not constitute, and shall not be construed against Defendants, Lead Plaintiff or any other members of the putative Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

(e) does not constitute, and shall not be construed as or received in evidence as, an admission, concession or presumption against Lead Plaintiff or any other members of the putative Class or any of them that any of their claims are without merit or that

damages recoverable under the Complaints, would not have exceeded the Settlement Amount; and

(f) does not constitute, and shall not be construed as or received in evidence as, an admission, concession or presumption that the Class is appropriate in this Action other than for settlement purposes.

MISCELLANEOUS PROVISIONS

31. The Parties agree to maintain the existence and terms of the Settlement and this Stipulation confidential until BMS publicly announces the Settlement.

32. BMS shall publicly disclose the existence and terms of the Settlement and this Stipulation only after providing Lead Plaintiff with reasonable notice of the contents of the disclosure.

33. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

34. The parties to this Stipulation intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Lead Plaintiff, any other members of the Class and their attorneys against the Released Defendant Parties with respect to the Settled Plaintiffs' Claims. The Parties hereto shall assert no claims of any violations of Rule 11 of the Federal Rules of Civil Procedure, or any application for sanctions pursuant to another court rule or statute, relating to the institution, prosecution to the date of settlement, defense, or settlement of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

35. This Stipulation may not be modified or amended, nor may any of its provisions be waived except by a writing signed by all signatories hereto or their successors-in-interest.

36. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

37. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Lead Counsel and enforcing the terms of this Stipulation.

38. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

39. This Stipulation and its exhibits constitute the entire agreement among the Parties hereto concerning the Settlement of the Action, and no representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

40. This Stipulation may be executed in one or more original and/or faxed counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the signatories of this Stipulation shall exchange among themselves original signed counterparts.

41. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

42. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws

of the State of New Jersey without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

43. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

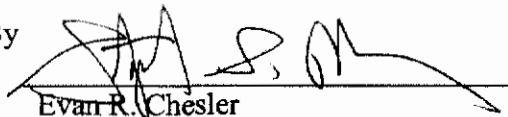
44. All counsel and any other Person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Stipulation to effectuate its terms.

45. Plaintiffs' Lead Counsel and Defendants' Counsel agree to cooperate with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation and the Settlement, and to promptly agree upon and execute all such other procedural documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

Dated: 1/31/06

CRAVATH, SWAINE & MOORE LLP

By



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