

Medtronic

Medtronic Retirement Plan

June 2016

Medtronic Retirement Plan

TABLE OF CONTENTS

Retirement Plan Highlights.....	1
Introduction	3
Who Is Eligible?	3
When Am I Eligible?	3
How Do I Become Vested?	3
How Is the Final Average Pay Pension Benefit Calculated?	4
How Is the Personal Pension Account Benefit Determined?.....	7
What Happens If I Leave Employment with Medtronic and I Am Later Rehired?	7
What Compensation Is Used in Calculating My Benefit?	8
When Is My Retirement Plan Benefit Payable?	8
What Benefit Payment Options Are Available?	9
Starting Benefit Payments	11
How Are Distributions Taxed?.....	11
What Happens to My Retirement Benefit If...?	11
Benefits upon Death of Participant.....	13
Protection of Plan Benefits/Qualified Domestic Relations Order (QDROs).....	14
No Employment Rights	14
Funding the Plan	14
Disputes Regarding Your Benefits	14
Statute of Limitations/Lawsuit.....	15
Burden of Proof Regarding Records.....	15
Loss of Benefits.....	15
Pension Benefit Guaranty Corporation.....	16
Mistakes and Recoupment	16
Benefit Restrictions	16
Administrative Information	17
Your ERISA Rights	17
Assistance With Your Questions	18
Termination of the Plan	18
Interpretation of the Plan	19

The following is a summary of the Medtronic Retirement Plan (“Plan”), generally effective as of May 1, 2013, and any amendments made through June 2016. It is intended to give you general information about your rights and responsibilities under the Plan. However, it does not include all the detailed Plan provisions and may not cover provisions that only apply to a small number of participants. These provisions are defined in the legal Plan document, which is available for review through the Plan Administrator. If there is any discrepancy between this summary and the legal Plan document, the legal Plan document governs. Capitalized words in this document have the meanings set forth in this summary, or if none is given, the meanings in the Plan document. The information in this document serves as the Summary Plan Description (“SPD”) for the Plan. Additional information about the Plan and its administrators may be obtained by writing to Medtronic, Inc., Attn: Plan Administrator, 710 Medtronic Parkway, LC 245, Minneapolis, MN 55432-5604.

MEDTRONIC RETIREMENT PLAN HIGHLIGHTS

What are the components of the Plan?	The Plan consists of two types of benefits, the “Final Average Pay Pension” benefit and the “Personal Pension Account” benefit. If you were hired before May 1, 2005, you could elect to receive either type of benefit (or you could elect to participate in the Medtronic Savings and Investment Plan’s Personal Investment Account feature). If you were hired or rehired on or after May 1, 2005, you were eligible to receive the Personal Pension Account benefit (or you may have elected to participate in the Medtronic Savings and Investment Plan’s Personal Investment Account feature). If you were hired on or after January 1, 2016, you are not eligible for the benefits described in this SPD.
When can I start participating in the Plan?	If you became a participant in the Plan prior to January 1, 2016 and previously elected to receive a Personal Pension Account Plan benefit, you began participating immediately. No employees hired on or after January 1, 2016 may participate in the Plan.
Who pays for my retirement benefit?	Medtronic pays the entire cost of your retirement benefit. You do not contribute to the Plan.
How is the Final Average Pay Pension benefit determined?	Generally, the Final Average Pay Pension benefit is an annual amount payable to you during your lifetime and is determined using the following formula: 40% of your final average pay <i>Minus</i> Your Social Security allowance <i>Times</i> Your years of credited service ÷ 30
How is the Personal Pension Account benefit determined?	Your Personal Pension Account benefit is determined using the amount credited to your Account upon your termination. Your “Account” is a hypothetical account established for recordkeeping purposes so that you and Medtronic can determine the approximate lump sum value of your benefit at any given time. Your benefit is always recalculated at the time you commence your retirement benefit and is based on your pay history, pay credits and interest credits, as well as the Plan provisions in effect when you terminate employment. Your Account starts with a zero balance and is credited annually with 5% of your eligible compensation while you are employed with Medtronic or a participating employer. Your Account also earns interest annually based on the 10-year U.S. Treasury Constant Maturities regardless of your employment status.
When is the benefit mine?	If your only benefit under the Plan is a Final Average Pay Pension benefit, your benefit becomes nonforfeitable after you complete five years of vesting service or when you reach age 62, provided you are employed by Medtronic at that time. If you have a Personal Pension Account benefit, your benefit (including any Final Average Pay Pension benefit you are entitled to) becomes nonforfeitable after you complete three years of vesting service or when you reach age 62 or die, provided you are employed by Medtronic at that time.
When can I start receiving benefits from the Plan?	You can generally receive any Final Average Pay Pension benefit from the Plan if you retire from Medtronic at age 55

	<p>and you have 10 years of vesting service, or if you retire at or after age 62. A Personal Pension Account benefit is payable upon your termination of employment at any age. Payments generally do not begin automatically. To start your benefit under the Plan, contact the Retirement Service Center using the contact information found in the To Apply for Benefits or if you Have Questions, Contact Section.</p>
<p>What happens if I die before I retire?</p>	<p>If you die before you retire and you are vested in your benefit, your spouse or documented domestic partner will receive benefits under the Plan. In order for an individual to be a “domestic partner” for purposes of the Plan, you must have registered your domestic partnership in accordance with state or local law or have filed the required affidavit with the Plan Administrator before January 1, 2016. If you have a Personal Pension Account benefit, you may designate a beneficiary other than your spouse or documented domestic partner, but your spouse must consent to such designation.</p>
<p>What happens if I become disabled?</p>	<p>If you elected the Final Average Pay Pension benefit and you become disabled and are entitled to receive disability income from Medtronic’s Long-Term Disability Plan, you will continue to earn credited service and vesting service throughout your period of disability. If you elected the Personal Pension Account benefit and you become disabled and are entitled to receive disability income from Medtronic’s Long-Term Disability Plan, no additional contribution credits will be made to your account during your period of disability; however, you will continue to earn interest credits and vesting credit.</p>

INTRODUCTION

Medtronic provides the Plan as a part of its commitment to your future financial security. Together with your other retirement benefits and individual savings and investments, this Plan provides a solid foundation on which you can build a financially secure retirement.

The Plan provides two types of benefits – the “Final Average Pay Pension” benefit and the “Personal Pension Account” benefit.

WHO IS ELIGIBLE?

You are an eligible employee if you are a United States citizen or resident, and are employed by Medtronic, Inc. or a participating division or subsidiary (hereinafter referred to as “Medtronic”), but excluding:

- An employee hired on or after January 1, 2016.
- An employee rehired on or after January 1, 2016 after more than one year of separation from Medtronic, except that an employee who reached age 62 at the time of termination (or age 55 with 10 years of vesting service) will be an eligible employee.
- An individual who is a leased employee.
- A nonresident alien who receives no earned income from Medtronic or any affiliated companies so that the nonresident alien has no U.S. source of income.
- An employee who is employed as a replacement employee to replace another employee who is absent due to vacation, sickness, disability, leave of absence, or maternity or paternity leave, or who is employed as an intern or for a specific project of limited duration.
- An employee covered under a collective bargaining agreement where retirement benefits were the subject of good faith bargaining, unless the collective bargaining agreement provides for participation.
- An employee who is a resident of Puerto Rico and is performing services for and receiving payment from Medtronic Puerto Rico Operations Company or any other Medtronic affiliate located in Puerto Rico.
- An employee who is eligible to participate in a retirement plan or arrangement in another country sponsored by a company affiliated with Medtronic.

- Any person performing services for Medtronic who is classified as an independent contractor, regardless of whether such person is ever determined to be an employee for purposes of the Federal Insurance Contribution Act or any other federal or state law.
- An individual who was employed by Covidien LP or an affiliate on or before January 26, 2015, or who was eligible for any benefit plan sponsored by Covidien LP or an affiliate.

WHEN AM I ELIGIBLE?

If you were hired before May 1, 2005, you were entitled to elect to receive either the Final Average Pay Pension or the Personal Pension Account. If you were hired or rehired on or after May 1, 2005 but prior to January 1, 2016, you were only eligible to receive the Personal Pension Account benefit or elect to participate in the Medtronic Savings and Investment Plan’s Personal Investment Account feature. No employees hired on or after January 1, 2016 may become eligible to participate in the Plan. If you are rehired on or after January 1, 2016 after you were separated from Medtronic for more than one year, you will not be eligible to earn additional benefits under the Plan, unless you were eligible to retire at the time you terminated employment. If you were hired or rehired prior to January 1, 2016 and if you met the eligibility requirements and were classified as other than a regular full-time or part-time employee, you were eligible to participate once you completed a one-year period of service.

HOW DO I BECOME VESTED?

You earn a nonforfeitable right to your Plan benefit through a process called vesting. If the only benefit you have under the Plan is a Final Average Pay Pension benefit, you are vested in your benefit after you complete five years of vesting service with Medtronic. If you have a Personal Pension Account benefit under the Plan, you are vested in your Personal Pension Account benefit (and any Final Average Pay Pension benefit you are entitled to) once you complete three years of vesting service with Medtronic. No benefit is payable if you leave Medtronic before you have satisfied the vesting requirement. You are automatically vested regardless of your years of service if you are still working for Medtronic when you reach age 62.

If you die while employed by Medtronic, you will become fully vested in your Personal Pension Account regardless of your years of service.

Generally, vesting service includes your years of service beginning on your hire date and ending on your termination date. However, if you become an eligible employee as a result of an acquisition, you may be given vesting credit for your service with the acquired employer. Approved leaves of absence due to sickness, injury, layoff or military duty may be counted. In addition, years of vesting service include service with companies affiliated with Medtronic that are not participating employers in the Plan or service with Medtronic or an affiliated company when you were not otherwise an eligible employee.

HOW IS THE FINAL AVERAGE PAY PENSION BENEFIT CALCULATED?

The Final Average Pay Pension benefit is a single life annuity commencing at age 65 and is determined using the following formula:

$$\begin{aligned} &40\% \text{ of your final average pay} \\ &\quad \text{Minus} \\ &\text{Your Social Security allowance} \\ &\quad \text{Times} \\ &\text{Your service ratio} \\ &(\text{years of credited service} \div 30) \end{aligned}$$

If you have more than 30 years of credited service, the 40% is increased by ½% for each year of credited service in excess of 30 years. For example, an employee with 34 years of credited service would use 42% (40% plus four years times ½%) in the above calculation. In addition, if you have more than 30 years of credited service, your service ratio will be 1.

If your benefit at age 65, determined using the formula above, produces a benefit of less than \$100 per month, you will receive a benefit of \$100 per month beginning at age 65 rather than the smaller benefit.

Final Average Pay

If you terminated employment after May 1, 2001, your final average pay is the average of your five highest consecutive fiscal year earnings. By using the average of your five highest consecutive years of earnings, the Plan relates your benefit to the time in your career

when your earnings were at their peak. If you retire at age 62 or later and have less than five years of vesting service with Medtronic, your final average pay will be based on all of your years with Medtronic. Here is an example of how final average pay is determined for a participant who had 12 years of service with Medtronic:

Years with Medtronic	Your fiscal year earnings	
1	\$31,000	
2	\$32,000	
3	\$33,000	
4	\$34,000	
5	\$35,000	
6	\$36,000	
7	\$37,000	
8	\$38,000	<i>Five highest consecutive years</i>
9	\$39,000	
10	\$40,000	
11	\$41,000	
12	\$18,000	
		<i>Partial year</i>

In this example, the employee’s final five full years of employment with Medtronic are the five highest consecutive years of earnings. The average of these five years is \$39,000; thus, the employee’s final average pay is \$39,000.

Social Security Allowance

Your Social Security allowance is identified in tables published each year by the Internal Revenue Service (the “IRS”) and is based on the year you were born. The tables represent the average compensation taken into account for Social Security benefit purposes. Your Social Security allowance will be based on the table in effect when you retire from Medtronic, but it will not exceed 18% of your final average pay. Your Social Security allowance is not the same as your Social Security benefit. The following chart shows the applicable Social Security allowances for 2015. (If you commence your benefit between January 1, 2016 and April 30, 2016, your Social Security allowance will be based on the table for 2015.)

Your Year of Birth	*Social Security allowance
1931 or before	\$4,964
1932	\$5,275
1933	\$5,603
1934	\$5,951
1935	\$6,318
1936	\$6,698
1937	\$7,100
1938	\$7,919
1939	\$8,342
1940	\$8,787
1941	\$9,243
1942	\$9,711
1943	\$10,193
1944	\$10,668
1945	\$11,139
1946	\$11,621
1947	\$12,115
1948	\$12,599
1949	\$13,074
1950	\$13,532
1951	\$13,975
1952	\$14,401
1953	\$14,815
1954	\$15,222
1955	\$15,999
1956	\$16,377
1957	\$16,740
1958	\$17,086
1959	\$17,420
1960 or later	\$17,744

** Your Social Security allowance will not exceed 18% of your final average pay.*

Years of Credited Service

Generally, you will receive credit for the number of whole and partial years of service you work beginning on your date of hire as an eligible employee (see the Section titled **Who Is Eligible?**) and ending on the date you terminate employment. If you become an eligible employee as a result of an acquisition, you will not receive credited service for your service with the acquired employer.

“Years of credited service” do not include time that you receive a Personal Pension Account benefit or participate in the Medtronic Savings and Investment Plan’s Personal Investment Account feature, time that you are employed with a company affiliated with Medtronic that does not participate in the Plan, periods where you are not an eligible employee, periods of

employment with the DLP division prior to January 1, 1995, and periods of severance, even if the periods would qualify for purposes of years of vesting service. If you are rehired by Medtronic after January 1, 2016 more than one year after your previous employment with Medtronic terminated, you will not receive years of credited service after you are rehired (unless you were age 62 (or age 55 with 10 years of vesting service) at the time your employment terminated).

Early Retirement Reduction

If you have 10 years of vesting service with Medtronic, you can retire and start benefit payments as early as age 55. When you start benefit payments early under the Final Average Pay Pension, your benefit will be reduced to account for the fact that it is beginning earlier. The reduction amount depends on your age at retirement. This is demonstrated in the following chart:

Age at retirement	Percentage of normal retirement benefit you will receive
65	100%
64	94%
63	88%
62	82%
61	76%
60	70%
59	66%
58	62%
57	58%
56	54%
55	50%

If you start receiving benefits between the ages shown, the reduction amount will be calculated to the nearest completed month.

Examples

In the following examples, the benefit amount is based on a life annuity form of payment that provides you a monthly benefit for life. This benefit will be lower if payments are received via another payment option, such as a joint and survivor annuity. More information about payment options is available later in this SPD in the Section titled **What Benefit Payment Options Are Available?**

Example 1. Final Average Pay Pension benefit with less than 30 years of credited service

Let's assume that you retired at age 65 on October 1, 2015, with 25 years of credited service, and that your final average pay is \$40,000. Based on your year of birth (1950), your Social Security allowance is \$7,200. (According to the Social Security allowance chart, your Social Security allowance would be \$13,532; however, since your Social Security allowance cannot exceed 18% of your final average pay, it would be limited to \$7,200 (\$40,000 x 18%).) Your normal retirement benefit is determined as follows:

Step	Example
1. 40% of your final average pay.	$40\% \times \$40,000 = \$16,000$
2. Minus your Social Security allowance.	$\$16,000 - \$7,200 = \$8,800$
3. Multiply the result of step 2 by your service ratio, which is your years of credited service divided by 30.	$\$8,800 \times 25 \div 30 = \$7,333$
4. The result is your annual benefit payable at age 65. To determine your monthly benefit, divide your annual benefit by 12.	$\$7,333$ annual benefit $\$7,333 \div 12 = \611 monthly benefit

Example 2. Final Average Pay Pension benefit with more than 30 years of credited service

Let's assume that you retired at age 65 on October 1, 2015, with 32 years of credited service, and that your final average pay is \$40,000. Based on your year of birth (1950), your Social Security allowance is \$7,200. (According to the Social Security allowance chart, your Social Security allowance would be \$13,532; however, since your Social Security allowance cannot exceed 18% of your final average pay, it would be limited to \$7,200 (\$40,000 x 18%).) Your normal retirement benefit is determined as follows:

Step	Example
1. Add ½% for every year of credited service in excess of 30 years,	$2 \text{ years} \times \frac{1}{2}\% = 1\%$ $40\% + 1\% = 41\%$
2. 41% of your final average pay.	$41\% \times \$40,000 = \$16,400$
3. Minus your Social Security allowance.	$\$16,400 - \$7,200 = \$9,200$
4. Multiply the result of step 3 by your service ratio, which since you have over 30 years of credited service, is 1.	$\$9,200 \times 1 = \$9,200$
5. The result is your annual benefit payable at age 65. To determine your monthly benefit, divide your annual benefit by 12.	$\$9,200$ annual benefit $\$9,200 \div 12 = \767 monthly benefit

Example 3. Final Average Pay Pension benefit upon Early Retirement

Let's assume that you retired at age 62 on October 1, 2015, with 18 years of credited service, and that your final average pay is \$70,000. Based on your year of birth (1953), your Social Security allowance is \$12,600. (According to the Social Security allowance chart, your Social Security allowance would be \$14,815; however, since your Social Security allowance cannot exceed 18% of your final average pay, it would be limited to \$12,600 (\$70,000 x 18%).) Your early retirement benefit is figured as follows:

Step	Example
1. 40% of your final average pay.	$40\% \times \$70,000 = \$28,000$
2. Minus your Social Security allowance.	$\$28,000 - \$12,600 = \$15,400$
3. Multiply the result of step 2 by your service ratio, which is your years of credited service divided by 30.	$\$15,400 \times 18 \div 30 = \$9,240$
4. The result is your normal retirement benefit payable at age 65. Multiply your normal retirement benefit by the reduction factor for age 62 from the Early Retirement Reduction chart. The result is your annual retirement benefit payable at age 62. To determine your monthly benefit, divide your annual benefit by 12.	$\$9,240 \times 82\% = \$7,576.80$ annual benefit $\$7,576.80 \div 12 = \631.40 monthly benefit

HOW IS THE PERSONAL PENSION ACCOUNT BENEFIT DETERMINED?

Your Personal Pension Account benefit is the balance in your Account upon your termination of employment, converted to a single life annuity that is payable at age 65. Your Account balance is increased annually by Contribution Credits and Interest Credits. Federal law and the Plan provisions determine the interest rate that will be used to convert your cash balance account to an annuity. The Plan generally uses the interest rate in effect for the month of March prior to the beginning of the Plan year in which the distribution is made.

Contribution Credit

Each Plan year that you are employed as an eligible employee, Medtronic will contribute 5% of your eligible compensation to your Account. This credit is applied to your account on the last day of the Plan year or the date you terminate employment, whichever is earlier.

Interest Credit

Each Plan year, your Account will be credited with interest by multiplying the interest percentage provided in the Plan for the Plan year by your Account balance from the beginning of the Plan year. The interest percentage provided in the Plan is the average interest rate on 10-year Treasury Constant Maturities published for the month of March prior to the beginning of the Plan year for which the interest percentage is being determined. For more information regarding the interest percentage, contact the Retirement Service Center.

Example

The following is an example of how your Personal Pension Account balance will grow:

Example 4. Personal Pension Account balance

Assume that as of May 1, 2014 you had an Account balance of \$10,000, and that your eligible compensation from May 1, 2014 through April 30, 2015 was \$35,000. Also assume that the interest percentage for the Plan year was 1%.

Step	Example
1. As of April 30, 2015 your Account would be credited with a contribution credit.	$5\% \times \$35,000 = \$1,750$
2. As of April 30, 2015, your Account would be credited with an interest credit.	$1\% \times \$10,000 = \100
3. Add the amounts together to determine your new Account balance as of May 1, 2015.	$\$10,000 + \$1,750 + \$100 = \$11,850$

Early Retirement Reduction

If you choose to receive your Personal Pension Account benefit as a monthly payment (annuity) before you reach age 65, it will be reduced to account for the fact that it is beginning earlier and therefore, is likely to be paid over a longer period of time. The early retirement reduction for the Personal Pension Account is different from the Early Retirement Reduction applied to the Final Average Pay Pension discussed above. The calculation of the reduction for the Personal Pension Account is more technical and complicated. When you become entitled to a distribution of your Personal Pension Account you will receive more information about the annuity payments available to you and any early retirement reduction. You may also contact the Retirement Service Center for more information regarding the amount of the early retirement reduction that would apply to your Personal Pension Account.

WHAT HAPPENS IF I LEAVE EMPLOYMENT WITH MEDTRONIC AND I AM LATER REHIRED?

If you retire or terminate employment with Medtronic and are later rehired, your retirement benefit election and vesting will depend on whether or not you have a break in service. A

break in service occurs if you terminate your employment with Medtronic and have no hours of service for a period of 12 consecutive months. An interruption in your employment of less than 12 months does not constitute a break in service and will not cause you to lose vesting service. If you are on an approved leave of absence (which includes leaves for family and medical leave), the time at which you incur a break in service will be delayed by a maximum of 12 months.

Retirement Benefit Election

If you are rehired and you were not eligible for retirement at the time you terminated employment.

If you **have not** incurred a break in service, you will be deemed to have elected the retirement benefit (Final Average Pay Pension or Personal Pension Account) that you were participating in prior to your termination. For purposes of the Final Average Pay Pension, credited service will be adjusted for the time you were gone.

If you **have** incurred a break in service, you will receive the Medtronic Core Contribution feature of the Medtronic Savings and Investment Plan. If you have a Personal Pension Account and do not take a distribution of your benefit, you will continue to receive interest credits, as described in the Section titled **How is the Personal Pension Account benefit determined?**

If you are rehired and you were eligible for retirement at the time you terminated employment.

Regardless of whether or not you incurred a break in service, you will be deemed to have elected the retirement benefit (Final Average Pay Pension or Personal Pension Account) that you were participating in at the time you first retired.

Vesting and Credited Service

During your break in service your vesting service and credited service is discontinued.

If you continue to participate in the Final Average Pay Pension benefit when you are rehired, your service after your rehire date will be added to your prior service to determine the amount of your Final Average Pay Pension.

If you terminate employment before you are 100% vested in your Personal Pension Account benefit and you are then rehired by Medtronic, your previous vesting service will be added to your future vesting service earned after you are rehired. The balance in your Personal Pension

Account will be restored and you will continue to earn interest credits and contribution credits on that amount.

WHAT COMPENSATION IS USED IN CALCULATING MY BENEFIT?

For purposes of the Plan, compensation generally includes your:

- Base salary
- Overtime pay
- Formula bonus and incentive plan payments
- Retention bonus payments
- Sales commissions
- Shift differential
- Any salary reduction contributions you make to other plans (i.e., cafeteria plan, medical plan)
- Sick pay
- Salary continuation payments for short-term disability
- Differential wages paid for military service

It does not include:

- Pay earned prior to participating in the Plan
- Discretionary bonuses and long-term incentive plan payments
- Compensation paid more than 30 days after termination
- Pay from nonparticipating employers
- Service awards
- Tuition reimbursements
- Relocation allowances
- Restricted stock payments
- Long-term disability benefit payments
- Short-term disability benefit payments from a third party
- Severance payments
- Any one-time or other payments not directly related to base salary (such as referral bonuses, value of exercised stock options, etc.)

The IRS limits the amount of compensation that can be considered when calculating retirement plan benefits. For the Plan year beginning May 1, 2016, annual compensation is limited to \$265,000. This limit is adjusted from time to time by the IRS.

WHEN IS MY RETIREMENT PLAN BENEFIT PAYABLE?

Generally, your benefit is payable to you when you retire, which can be as early as age 55 with 10 years of vesting service or at age 62 regardless of your years of service. If you

continue working beyond age 65, you will begin to receive your benefit upon your termination of employment. If you are still employed when you reach age 70½, you may elect to receive your benefit at age 70½ or, unless you are a 5% owner, wait until your termination of employment. However, once you terminate employment after age 65, you cannot defer receipt of your benefit. If you retire at or after age 65, your benefit will begin the first of the month following your retirement date.

If you terminate employment with a Final Average Pay Pension benefit prior to becoming eligible for an early or normal retirement benefit, you will generally not be eligible to receive your benefit until you reach age 65, unless you elect to begin receiving your benefit at age 62 (or age 55 or later, provided you had 10 years of vesting service prior to your termination). If you elect to begin benefits before age 65, your benefit will be subject to the early retirement reduction described in the Section titled **How is the Final Average Pay Pension Benefit Calculated?**.

Immediate Distribution

If the lump sum value of your vested Final Average Pay Pension benefit does not exceed \$50,000, you can elect to receive an immediate distribution of your benefit at any age upon your termination of employment. If you have a vested Personal Pension Account benefit, you can elect to receive an immediate distribution of that benefit, regardless of the lump sum value, at any age upon your termination of employment.

WHAT BENEFIT PAYMENT OPTIONS ARE AVAILABLE?

If you are single, your benefit will automatically be paid to you in monthly payments over your lifetime unless you elect an optional form of payment. If you are married or have a documented domestic partner, your benefit will automatically be paid to you in a qualified (50%) joint and survivor annuity unless you elect an optional form of payment. If you are married your spouse must consent to your election of an optional form of payment. With a qualified (50%) joint and survivor annuity, if you die before your spouse or domestic partner dies, your spouse or domestic partner will receive 50% of the monthly payments you were receiving. This amount will be paid to your spouse or domestic partner for the rest of his or her life. If you outlive your spouse or domestic partner, you will continue to receive the same

benefit as when you both were living, for the rest of your life.

If you wish, you may elect to have your benefit paid under one of the Plan's optional forms of payment. Your options may be limited in certain circumstances as described below. Any optional form of payment will be actuarially equivalent to a life annuity (a benefit paid in monthly payments over your lifetime). This means that your monthly benefit amount or lump sum payment will be adjusted so that the total value of your benefit is the same as a life annuity. For example, if you elect to receive your benefit in a 100% joint and survivor annuity over your life and the life of your spouse or domestic partner, your monthly benefit will be reduced to account for the extended period that benefits will be paid to you (for your life and your spouse's or domestic partner's life) as compared to a life annuity (for your life only). The adjustment ensures that you receive the same relative value regardless of which form of payment you choose. Once your benefits begin, you may not make any change in the form of payment.

The optional forms of payment available to single participants are as follows:

- **Single Life Annuity.** This is the standard form of payment for single participants. Under a single life annuity, you receive monthly payments for as long as you live. Because payments do not continue beyond your lifetime and there is no guarantee that you will receive a specified number of payments, this payment method provides the highest monthly retirement benefit.
- **10 Year Certain and Life Annuity.** Under this form of payment, you will receive monthly payments for your lifetime, but if you die before receiving payments for 10 years (120 months), your designated beneficiary will receive the remainder of the payments for the 10-year period. If you die after receiving payments for the certain period, no benefits will be paid to your beneficiary. For example, if you die after receiving 100 monthly payments, your designated beneficiary will receive the 20 remaining monthly payments. However, if you die after receiving 140 monthly payments, your designated beneficiary will receive no benefit. Because 10 years of benefits are guaranteed, this monthly benefit is lower than the single life annuity. This is the only option that provides for payment to

a nonspouse or non-domestic partner beneficiary.

- **Lump Sum.** Under this form, you will receive your entire benefit in a single payment. This form of benefit is available for (i) any Personal Pension Account benefit, (ii) any RAP account benefit (as explained later in this SPD in the Section titled **What Happens to my Retirement Benefit If...?**), (iii) any Physio-Control benefit paid at or after age 65 (as explained later in this SPD in the Section titled **What Happens to my Retirement Benefit If...?**), and (iv) any Final Average Pay Pension benefit where the actuarially equivalent lump sum value of the benefit does not exceed \$50,000.

Example: Assume that Participant A is single, and retires at age 65 with a monthly single life annuity benefit of \$244.42. If A chooses to receive a single life annuity, payments will stop at A's death. If A chooses a single life annuity with 10 years certain, the monthly benefit will be reduced to \$227.07. However, if A dies before 10 years of benefits have been paid, A's beneficiary will continue to receive \$227.07 per month until the 10 years has expired.

The optional forms of benefits available to married participants or participants with documented domestic partners are as follows:

- **Single Life Annuity.** See previous description.
- **Joint and Survivor Annuity.** A qualified (50%) joint and survivor annuity is the standard form of payment for married participants or participants with documented domestic partners. However, these participants may also elect to receive their benefit in either a 75% or a 100% joint and survivor annuity. If you die before your spouse or domestic partner dies, your spouse or domestic partner will receive a monthly payment equal to 50%, 75% or 100% of the monthly payment you were receiving during your lifetime. This amount will be paid for the rest of your spouse's or domestic partner's life. If you outlive your spouse or domestic partner you will continue to receive the same benefit as you did when you were both living for the rest of your life. If your spouse or domestic partner dies after you have commenced benefits and you remarry, your new spouse or domestic

partner will not receive any payments after your death. The higher the benefit you choose for your surviving spouse or domestic partner, the lower your monthly benefit will be.

- **10 Year Certain and Life Annuity.** See previous description.
- **Lump Sum.** See previous description.

Example: Assume that Participant B is married, and retires with a monthly qualified (50%) joint and survivor annuity benefit of \$445.89. Assume also that both B and B's spouse are age 65 when B retires. B's benefit payment options are as follows:

Optional Form	Participant Benefit	Spouse/Domestic Partner Benefit
Single Life Annuity	\$488.91	None
10 Year Certain and Life Annuity	\$454.20	\$454.20 for any remainder of 10 years
Qualified (50%) Joint and Survivor Annuity	\$445.89	\$222.95
75% Joint and Survivor Annuity	\$433.17	\$324.88
100% Joint and Survivor Annuity	\$409.71	\$409.71

If you are married, you will need the written consent of your spouse in order to make the election to receive your benefit in a form other than a joint and survivor annuity. The consent must be witnessed by a notary public.

Small Benefit Amounts

Notwithstanding the above, if upon your termination from employment the actuarially equivalent value of your benefit is less than \$1,000, the Plan will distribute your benefit to you in a lump sum as soon as administratively feasible after your termination of employment. Spousal consent is not required for this distribution.

If upon termination from employment the value of your benefit is greater than \$1,000 but less than or equal to \$5,000 and, after receiving all required notices, you do not affirmatively elect a distribution of your benefit, your benefit will be

automatically distributed and rolled over by the Plan to an individual retirement account (“IRA”) with Millennium Trust Company as soon as practicable after you terminate employment. Spousal consent is not required for this distribution. Your account will be invested in an FDIC-insured money market fund, which is a fund designed to preserve principal and provide a reasonable rate of return consistent with liquidity. You will be responsible for paying all fees and expenses assessed against your automatic rollover IRA. The fees and expenses will be comparable to the fees and expenses charged by Millennium Trust Company for other IRAs. If Millennium Trust Company is not able to locate a participant, then the funds will still be rolled over. For additional information on the Plan’s automatic rollover rules, a Millennium Trust Company IRA®, and the fees and expenses associated with a Millennium Trust Company IRA, call 1-877-682-4727.

STARTING BENEFIT PAYMENTS

When you decide to retire, contact the Retirement Service Center and it will supply you with the forms and instructions you need to select a payment option and start payment of your benefit. These forms will be distributed no more than 180 days prior to the date your benefit will begin. If you do not return the forms within 180 days, you will need to request new forms.

If your benefit is payable in a lump sum, you may elect to have your benefit paid directly to you, or to roll over your benefit to an IRA or another employer’s eligible retirement plan (including, if you qualify and follow the Plan provisions, the Medtronic Savings and Investment Plan). If you or your spouse, domestic partner, or beneficiary are unable to manage your financial affairs or if your beneficiary is a minor, the Plan may pay your benefits to a court-appointed guardian or other representative who is legally authorized to conduct your or your spouse’s, domestic partner’s, or beneficiary’s financial affairs.

HOW ARE DISTRIBUTIONS TAXED?

When you receive a distribution election form, you will also receive a notice discussing your tax obligations. The following general information is designed to help you understand some of the basic tax rules that apply.

If you elect to have your lump sum payment (if eligible) made directly to an IRA or eligible retirement plan, you will not pay federal income

taxes on the amount that you roll over until you start taking distributions.

Lump Sum Payments

Lump sum payments are taxable income in the year distributed, and a mandatory 20% federal tax withholding will apply unless you elect to directly roll over the lump sum payment to an IRA or to another qualified plan. You will receive information about directly rolling over your benefit prior to payment of a lump sum distribution. If you wish to directly roll over your lump sum distribution, contact the Retirement Service Center for more information.

Annuity Payments

Annuity payments are taxable income in the year distributed. You can designate the amount of income tax you want withheld from these payments, if any. Annuity payments are not eligible for rollover.

You may owe a 10% excise tax if your Plan benefits are paid to you in a cash out payment before age 59½, you do not make a rollover and you terminate employment before the beginning of the year in which you reach age 55. If you elect not to have withholding apply, or even if you do elect withholding, you may still owe additional taxes on your Plan benefits. You are responsible for payment of any and all taxes associated with your Plan benefits.

Tax laws change frequently. Talk to a qualified tax advisor before you elect a payment option from the Plan.

WHAT HAPPENS TO MY RETIREMENT BENEFIT IF...?

I have a RAP Account benefit?

If you were hired before May 1, 1982, you may have a benefit called the Retirement Account Plan (“RAP”) benefit. Your “RAP account” benefit is the value of your account balance under the Medtronic, Inc. and Participating Employers Retirement Account Plan as of April 30, 1983, which is credited with interest for each full or partial Plan year beginning on and after May 1, 1983. The interest rate from May 1, 1983 through April 30, 1997 was the rate used by the Pension Benefit Guaranty Corporation for determining the present value of a lump sum distribution on Plan termination. The interest rate used on and after May 1, 1997 is 7.5%. The Medtronic Inc. and Participating Employers Retirement Account Plan was transferred into the

Plan. You are 100% vested in your RAP account benefit. When you retire you will receive a benefit equal to the value of your RAP account expressed as an annuity, or the value of your Final Average Pay Pension, whichever is greater.

If your benefit includes a RAP account benefit, the RAP portion of your benefit is eligible to be paid as a lump sum distribution or a monthly annuity. If you elect to take a lump sum distribution of your RAP benefit, any remaining benefit to be provided as a monthly annuity upon retirement will be reduced accordingly. You must elect the same payment option for your entire benefit unless you elect to receive your RAP account benefit in a lump sum.

I have a Physio-Control benefit?

If you were a participant in the Medtronic Physio-Control Retirement Plan (the "Physio-Control Plan"), you will be entitled to an additional benefit equal to your accrued benefit under the Physio-Control Plan, which was frozen as of April 30, 1999. You will receive vesting service for your years of service with Physio-Control, Inc. in addition to your years of service with Medtronic. Please refer to the Physio-Control Addendum for more information regarding your Physio-Control benefit.

I become disabled?

If you elected the Final Average Pay Pension benefit and you become disabled and are entitled to receive disability income from Medtronic's Long-Term Disability Plan, you will continue to earn credited service and vesting service throughout your period of disability. For purposes of determining your final average pay, compensation during your disability will be determined as follows:

- If you became disabled and entitled to receive disability income from Medtronic's Long-Term Disability Plan before August 1, 2005, your compensation during your period of disability is assumed to be your compensation immediately prior to your disability plus a 3% increase each Plan year.
- If you become disabled and entitled to receive disability income from Medtronic's Long-Term Disability Plan on or after August 1, 2005, your final average pay will be determined as of the start of your period of disability.

If you elected the Personal Pension Account

benefit and you become disabled and are entitled to receive disability income from Medtronic's Long-Term Disability Plan, no additional contribution credits will be made to your Personal Pension Account during your period of disability. However your Personal Pension Account will continue to earn interest credits and you will continue to earn years of vesting service throughout your period of disability.

I am reemployed by Medtronic after retiring?

If you are reemployed by Medtronic after retiring, you will continue participation in the benefit you had elected prior to your retirement, regardless of whether you started receiving benefits.

If you are reemployed by Medtronic (for at least 40 hours per month, if you have reached age 65) in a regular full-time or part-time position after starting to receive a Final Average Pay Pension benefit under the Plan, your monthly benefit payments will stop during your period of reemployment and you will begin earning additional credited service. You will not have the opportunity to elect to receive a different retirement benefit. After you stop working again, your Final Average Pay benefit will be recalculated, taking into account your additional credited service and compensation. An adjustment will be made for retirement benefits you have already received.

If you are reemployed by Medtronic (for at least 40 hours per month, if you have reached age 65) in a regular full-time or part-time position after starting to receive a Personal Pension Account benefit under the Plan, your monthly benefit payments will stop during your period of reemployment and you will begin receiving additional contribution credits. You will not have the opportunity to elect to receive a different retirement benefit. After you stop working again, your Personal Pension Account benefit will be recalculated, taking into account additional contribution credits and interest credits. An adjustment will be made for retirement benefits you have already received.

If you are reemployed by Medtronic in a temporary position or assigned to a project of limited duration after starting to receive your benefit under the Plan, your monthly retirement benefits will continue.

The Plan Administrator cannot locate me for payment?

If you do not provide a current address and the Plan Administrator cannot locate you on the date your benefit becomes payable, your benefit will be forfeited (though it may be restored if you later contact the Plan Administrator).

An error was made in my benefit amount?

Depending upon the situation and amount of time elapsed, Medtronic may retroactively correct any error in the amount of your benefit and adjust future benefits to correct the error. Additionally, Medtronic can require that you return any benefit paid in error.

BENEFITS UPON DEATH OF PARTICIPANT

Death Before You Are Fully Vested

If you die before you have a vested Final Average Pay Pension benefit, no death benefits will be provided to your beneficiary. If you die before you have a vested Personal Pension Account, you will become fully vested in your Personal Pension Account, provided that you are employed at Medtronic at that time.

Death After Benefits Commence

If you die after benefits have commenced, benefits will continue pursuant to the form of payment you elected.

Death Before Benefits Commence – No RAP Benefit or Personal Pension Account Benefit

If you die before your benefits commence, you are vested in your benefits and you do not have a RAP benefit or a Personal Pension Account benefit, your eligible spouse or domestic partner is entitled to receive a qualified preretirement survivor annuity. A qualified preretirement survivor annuity is equal to 50% of the monthly benefit you would have been eligible to receive upon reaching early retirement based upon your years of credited service at the time of your death. Benefits payable to a surviving spouse will commence as soon as possible following your death, or, if later, the date you would have attained age 65. Your spouse may elect to receive the benefit as of an earlier date. Any benefit payable to a domestic partner will commence within one year after your death.

If the actuarial equivalent value of your benefit at the time of your death is less than or equal to \$50,000, your spouse or domestic partner can elect to receive payment of the benefit in an

immediate lump sum payment or an immediate annuity. Payment will automatically be made in a lump sum as soon as administratively practical following your death if the value of your benefit is \$5,000 or less.

If you die before your benefits commence but after you have made an election to receive a 75% or 100% joint and survivor annuity, your spouse or domestic partner will receive the amount he or she would have received if you had died after benefits commenced.

Death Before Benefits Commence – RAP Benefit or Personal Pension Account Benefit

If you die before your benefits commence, you are vested in your benefit, and you have a RAP account or Personal Pension Account benefit, the actuarial equivalent value of your RAP Account and Personal Pension Account benefit shall be paid to your beneficiary as an annuity over his or her life. Your beneficiary is your spouse or domestic partner unless you designate a different beneficiary with your spouse's consent. This consent must be in writing and witnessed by a Plan representative or notary public. Any benefit remaining that exceeds your RAP account and Personal Pension Account benefit is payable in a qualified preretirement survivor annuity to your surviving spouse or domestic partner (calculated as described in the previous section).

If you designate your spouse or your domestic partner as your beneficiary, the beneficiary designation will be automatically canceled upon divorce or dissolution of the marriage or domestic partnership. If your beneficiary designation is canceled, or if you do not make a beneficiary designation, your benefit will be paid as follows:

- To your spouse or domestic partner;
- If none living, to your children in equal amounts;
- If none living, to your parents in equal shares;
- If none living, to your brothers and sisters, in equal shares; and
- If none living, to your estate.

Payments to your beneficiary shall begin within one year of your death unless your beneficiary is your surviving spouse in which case the benefit shall commence as soon as possible following your death, or, if later, the date you would have attained age 65. Your spouse may elect to receive the benefit as of any earlier date, but not

earlier than the date you would have been eligible to receive early retirement benefits under the Plan.

Your beneficiary may elect to receive any amounts attributable to your RAP account or Personal Pension Account benefit in a lump sum form of payment. In addition, if the portion of your benefit that exceeds your RAP account and Personal Pension Account is less than or equal to \$50,000, your spouse or domestic partner may elect to receive an immediate lump sum payment or an immediate annuity of that portion of your benefit as well. Payment will automatically be made in a lump sum as soon as administratively possible if the value of your benefit is \$5,000 or less.

PROTECTION OF PLAN BENEFITS/QDROS (QUALIFIED DOMESTIC RELATIONS ORDERS)

In general, your Plan benefit belongs to you and may not be sold, assigned, transferred, pledged or garnished under most circumstances. You also cannot use your benefit as security for a loan. However, if you become divorced or separated, a court order could require that part of your account be paid to someone else such as your spouse or your children. This is known as a Qualified Domestic Relations Order (“QDRO”). A copy of the Plan’s QDRO procedures and sample language are available free of charge from the QDRO Coordinator, Stinson Leonard LLP, 150 South Street, #2300, Minneapolis, MN 55402; by calling 1-612-335-1510 or by emailing angela.bohmann@stinsonleonard.com.

NO EMPLOYMENT RIGHTS

Participation in the Plan and trust does not create the right to continued employment for any employee.

FUNDING THE PLAN

An actuary determines the amount Medtronic contributes to fund the Plan. Contributions are made to a trust. The Plan Trustee is identified in the Administrative Information section of this SPD. You do not make contributions to the Plan.

DISPUTES REGARDING YOUR BENEFITS

General Claims

If you believe that you are entitled to a larger benefit than you receive or have received, or you believe that you are entitled to a benefit that was

denied, you may file a written claim with the Plan Administrator. **IMPORTANT** – You must bring your claim within one year after you knew or should have known the principal facts surrounding your claim. If you do not, your claim will be time-barred. You must exhaust the claims and appeals procedure under the Plan before filing a lawsuit in a court.

Your written claim must include the following:

- An explanation of the claim’s nature;
- The facts supporting the claim;
- The amount of the claim; and
- Your name and mailing address.

If your claim to a benefit is denied in whole or in part, you (or your beneficiary) will be notified in writing by the Plan Administrator for that benefit plan within 90 days of the receipt of your claim (180 days if special circumstances apply).

This written notice will include:

- The specific reason(s) for the denial;
- References to the Plan provision(s) on which the denial is based;
- A description of any additional material or information that is necessary to perfect the claim (and an explanation of why such information or material is necessary); and
- The procedures for appealing the decision, including a statement regarding your right to bring a civil court action under the Employee Retirement Income Security Act (“ERISA”).

You or your authorized representative may review all documents related to any denial of benefits. If you disagree with the Plan Administrator’s decision, you have 60 days from the receipt of the original denial to request a review by the Plan Administrator. This request should be in writing and sent to the Plan Administrator at the following address:

Medtronic, Inc.
710 Medtronic Parkway, LC 245
Minneapolis, MN 55432-5604

Under such an appeal, you or your authorized representative will be given the opportunity to submit written comments, documents, records, and other information relating to your claim for benefits. You shall also be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The claim will be reviewed and you will receive written notification of a decision within 60 days. If special circumstances require more time for this process, you will be notified in writing no later than 120 days after the receipt of your request. Again, you will be told why your claim was denied and which Plan provisions support that decision. All determinations of appeals made by the Plan Administrator are final and binding. In the event of an adverse determination of your appeal, you are entitled to bring suit in federal court under section 502(a) of ERISA.

If you do not appeal within the Plan's required time period, you will lose the right to appeal and you will have failed to exhaust the Plan's internal administrative appeal process, which is generally a prerequisite to bringing a suit under ERISA.

In the case of your death, the same rules will apply to your beneficiary.

STATUTE OF LIMITATIONS/LAWSUIT

No claimant may begin any legal action to recover Plan benefits or to enforce or clarify rights under the Plan under section 502 or 510 of ERISA or under any other provision of law, whether or not statutory, until the claims procedures have been exhausted in their entirety. Legal action must be commenced in the proper forum before the earlier of 30 months after the claimant knew or reasonably should have known of the principal facts on which the claim is based or 12 months after the claimant has exhausted the claims procedure under the Plan.

Knowledge of all facts that you or your beneficiaries knew or reasonably should have known will be imputed to every claimant who is or claims to be entitled to benefits or rights by reference to you or your beneficiaries for the purpose of applying the time periods. In any legal action brought relating to the Plan all explicit and implicit determinations by the claims administrator, Medtronic, and any other fiduciary (including determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) will be given the maximum deference permitted by law.

Any review of a final decision or action of the persons reviewing a claim will be based only on the evidence presented to or considered by those persons at the time they made the decision that is the subject of review.

BURDEN OF PROOF REGARDING RECORDS

The Plan's records, including but not limited to an individual's employment status, compensation, service, contributions, investments, account values, loans, withdrawals, elections, distributions, and all other matters affecting eligibility for and amount or payment of benefits, are controlling in all cases. If you believe that the Plan's records are incomplete or incorrect, the burden of proof is on you to provide written documentation of the additional information that you believe is relevant.

Whether such documentation is satisfactory to override the Plan's records will be determined by the Plan Administrator in its sole and absolute discretion, subject to the Plan's claims and appeals procedure. You may review the Plan's records applicable to you by contacting the Plan Administrator or the Plan's Recordkeeper in accordance with the Plan's procedures.

LOSS OF BENEFITS

Under certain circumstances, your benefits may be lost, suspended, or reduced, or payment of your benefits may be delayed. For example:

- If you fail to properly apply for benefits or to provide necessary information, payment of your benefits could be delayed or suspended or you may lose your benefits entirely. For example, if you do not provide a current address and the Plan Administrator cannot locate you on the date your benefit becomes payable, your benefit will be forfeited (though it may be restored if you later contact the Plan Administrator).
- If you do not keep your most recent address on file and Medtronic cannot locate you, your benefit payments may be delayed. Once you (or your beneficiary, if you die) provide a current address, benefit payments will be made.
- If your benefits are attached or otherwise assigned to someone else under a QDRO any portion of your benefits that are not attached or assigned will be paid to you (see **Protection of Plan Benefits/QDROs (Qualified Domestic Relations Orders)**).
- Under the optional forms of payment, your benefits will be reduced to permit payments to your beneficiary after your death.
- Benefits paid to you before you reach your Normal Retirement Date may be reduced to account for the early payment of benefits.

- Benefits may also be reduced or lost due to limitations under the Internal Revenue Code, the imposition of income, penalty and excise taxes or a tax lien, the application of a QDRO or a judgment or settlement agreement that requires you to make payments to the Plan.
- Benefits may also be reduced if the Plan's funding percentage is less than 60%.
- Distribution options may be restricted if the Plan's funding percentage is less than 80%.
- If you do not file your claim, appeal, or bring a claim in court within the required period, as described in the **"Disputes Regarding Your Benefits"** section above, you will not be able to bring your claim and so will not receive the benefits you are claiming.
- If you are overpaid or receive greater benefits than what you are entitled to under the terms of the Plan, the Plan has the right to offset any future benefits to which you are entitled by the amount of any overpayment or to seek reimbursement from you of the amounts you were paid to which you were not entitled.

PENSION BENEFIT GUARANTY CORPORATION

Pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for Medtronic; (4) benefits for which you have not met all of the

requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in early retirement monthly benefits greater than your monthly benefits at the Plan's normal retirement age; and (6) nonpension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street NW, Suite 930, Washington, DC 20005-4026 or call 1-800-400-PBGC. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available at www.pbgc.gov or by email at participant.pro@pbgc.gov.

MISTAKES AND RECOUPMENT

The Plan has the right to recover any mistaken payment, overpayment, or any payment made to any individual who was not eligible for that payment. Any such overpayment creates a lien by agreement. The Plan may withhold or offset any future payments, sue to recover such amounts, or use any other lawful remedy to recoup any such amounts.

BENEFIT RESTRICTIONS

The law requires that certain benefit restrictions be imposed if the Plan is not sufficiently funded. These rules are designed to ensure that the funding level does not decrease any more than necessary due either to additional accruals or to significant cash distributions from the Plan. For example, in certain situations, the Plan might not be able to make a lump-sum distribution of your entire benefit to you even if the Plan would otherwise allow for a lump sum distribution. In addition, if the Plan becomes severely underfunded, contribution credits must cease. The Plan Administrator will notify you if these restrictions apply.

ADMINISTRATIVE INFORMATION

Official Plan Name

Medtronic Retirement Plan, also referred to in this SPD as the Plan.

Plan Type

The Final Average Pay Pension benefit is a defined benefit pension plan and the Personal Pension Account benefit is a cash balance plan.

Plan Number

002

Plan Sponsor and Plan Administrator

Medtronic, Inc.
710 Medtronic Parkway, LC 245
Minneapolis, MN 55432-5604
763-514-4000

Plan Sponsor's Employer Identification Number

41-0793183

Plan Year

The Plan operates on a fiscal year basis, beginning on May 1 and ending on April 30.

Plan Assets

Plan assets are held in a trust fund.

Plan Trustee

US Bank, NA
P.O. Box 64488
St. Paul, MN 55164-0488

Agent for Disbursement of Benefits

Aon Hewitt

Agent for Service of Legal Process

Vice President, Chief Litigation Counsel
Medtronic
710 Medtronic Parkway
Minneapolis, MN 55432-5604

Legal process also may be served on the Plan Sponsor, Plan Administrator or Plan Trustee.

For Appealing a Claim

Contact the Plan Administrator in writing.

Plan Recordkeeper

Aon Hewitt

To Apply for Benefits or if you Have Questions, Contact:

Regular and Certified Mail
Medtronic Retirement Plan
c/o Retirement Service Center
4 Overlook Point
P.O. Box 1430
Lincolnshire, IL 60069

Retirement Service Center
1-844-335-9042
retirement.medtronic.com

YOUR ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections ERISA. ERISA which provides that all participants shall be entitled to the following:

Receive Information About the Plan and Benefits

- Examine (without charge) at the Plan Administrator's office and at other specified locations—such as work sites and union halls—all documents governing the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefit Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series), and updated Summary Plan Descriptions. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if

you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Know Your Rights

If your claim for a benefit is denied or ignored—in whole or in part—you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your ERISA rights. For instance:

- If you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials—unless the materials were not sent because of reasons beyond the control of the administrator.
- If you have a claim for benefits which is denied or ignored—in whole or in part—you may file suit in a state or Federal court provided you have exhausted the administrative procedures under the Plan.
- If you disagree with the Plan’s decision or lack thereof concerning the qualified status of a Qualified Domestic Relations Order (QDRO), you may file suit in Federal court.

- If it should happen that Plan fiduciaries misuse the Plan’s money, or if you’re discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court.

If you file suit against the Plan, the court will decide who should pay court costs and legal fees. If you’re successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

You may have additional rights under ERISA. However, applicable law and the Plan’s provisions require you to pursue all claim and appeal rights on a timely basis before seeking other legal recourse regarding claims for benefits.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory; or the Division of Technical Assistance and Inquiries, Employee Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by:

- Calling the Employee Benefits Security Administration Brochure Request Line (also called the “Publications Hotline”) at 1-800-998-7542;
- Logging on to the Internet at www.dol.gov; or
- Contacting the EBSA field office nearest you.

TERMINATION OF THE PLAN

Although Medtronic expects to continue the Plan indefinitely, Medtronic reserves the right to amend, modify or terminate the Plan for any reason. Medtronic will also implement changes required by federal, state or local legislation and, when permitted, such changes may have retroactive application.

If the Plan is terminated, no further benefits will accrue. The assets of the Plan will be allocated among participants in accordance with priority categories established by law. Each participant is then fully vested in the accrued benefits earned prior to the Plan termination. If the Plan assets are less than the amount needed to fully fund the accrued benefits, Medtronic is required to contribute the additional amounts necessary to fund all accrued benefits. If the Plan assets are greater than those necessary to fully fund the accrued benefits of participants as of the Plan termination, the excess assets will be returned to Medtronic. Benefits will be distributed in the manner and at the time provided in the documents which terminate the Plan.

If the Plan is terminated, benefits to highly paid employees may be limited by IRS regulations.

INTERPRETATION OF THE PLAN

The Plan Administrator has complete and total discretionary authority to interpret and administer the Plan. The Senior Vice President, Chief Human Resources Officer, Vice President of Global Rewards or Senior Benefits Director, Americas have the authority and responsibility to interpret the Plan, make rules, determine eligibility for benefits, determine coverage and benefit amounts, and resolve all claims and disputes regarding the Plan. The decisions of the Senior Vice President, Chief Human Resources Officer, Vice President of Global Rewards or Senior Benefits Director, Americas are final and binding on all persons. The Senior Vice President, Chief Human Resources Officer, Vice President of Global Rewards or Senior Benefits Director, Americas may further delegate any and all authority under the Plan as they deem appropriate.