Medtronic’s General Approach on Tax Matters

Medtronic is engaged globally in the research, development, manufacture, procurement, management and sale of medical technologies, services and solutions and operates in more than 155 countries, employing more than 85,000 people worldwide, serving physicians, hospitals and patients wherever Medtronic operates.

Medtronic’s longstanding Mission is to:

1) Contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life.
2) Direct our growth in the areas of biomedical engineering where we display maximum strength and ability; to gather people and facilities that tend to augment these areas; to continuously build on these areas through education and knowledge assimilation; to avoid participation in areas where we cannot make unique and worthy contributions.
3) Strive without reserve for the greatest possible reliability and quality in our products; to be the unsurpassed standard of comparison and to be recognized as a company of dedication, honesty, integrity, and service.
4) Make a fair profit on current operations to meet our obligations, sustain our growth, and reach our goals.
5) Recognize the personal worth of employees by providing an employment framework that allows personal satisfaction in work accomplished, security, advancement opportunity, and means to share in the company’s success.
6) Maintain good citizenship as a company.

Medtronic lives by this Mission. For more information, go to: http://www.medtronic.com/us-en/about/corporate-governance/code-conduct.html.

Under this Mission, Medtronic is committed to ensuring compliance with the laws in each of the jurisdictions in which it conducts business, including tax laws and associated regulations or local tax authority. Based on its Mission, Medtronic strives to always be a socially responsible and transparent taxpayer. This equally applies towards UK taxation.

Medtronic seeks to manage tax uncertainties via:

1) Timely and accurate compliance with local laws, regulations and international rules,
2) Where appropriate, assessing the tax implications of a transaction before approval and execution of such transaction occurs by means of internal procedures requiring approval by all relevant functions in the organization,
3) When transactions take place between two related affiliates within the company, establishing a price associated with such transaction as if the two parties were unrelated,
4) Seeking external tax advice when complexity of a transaction so requires, and
5) Approaching the relevant tax authorities in advance where clarity is needed.

To manage such tax obligations and tax uncertainties, the Medtronic finance organization includes a global tax team with personnel located in numerous jurisdictions. The team is headed by a Chief Tax Officer reporting directly to the Chief Financial Officer and through the Chief Financial Officer to the Board of Directors of Medtronic PLC.

The Medtronic tax team anticipates and responds to the tax implications arising from operational, legislative and economic changes that impact Medtronic’s businesses as they operate globally, including changes that occur over time in the UK.
In addition, and specifically with respect to the UK, a Senior Accounting Officer (SAO) acting for the Medtronic UK entities certifies that relevant controls are in place to ensure material compliance with all UK tax obligations. Furthermore, internal tax governance follows international standards when assessing acceptable and uncertain tax risks (such as those that fall under FIN48, FAS5 and similar accounting standards).

When dealing with tax authorities, Medtronic legal entities strive to maintain a good standing and transparent approach with respect to tax compliance, tax reporting obligations, and in addressing specific tax authority requests. The same approach applies for any interaction with HMRC and its relevant customer relationship managers (CRMs).

The above statement describes Medtronic’s general approach on tax matters and is considered to fulfill the UK legislative requirement of Finance Act 2016 Schedule 19, paragraph 16(2).