



**Medtronic**

## Medtronic U.S. Business Conduct Standards

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### Standard #3

#### Donations to Customers or Organizations Closely Affiliated With Customers

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**Donations to Customers or organizations affiliated with Customers are permitted only if the donation is intended to benefit society and promote better health care, demonstrate good corporate citizenship, or serve a genuine educational function, and, except in rare instances, only where the recipient is a tax-exempt charity.**

**“Donations”** are contributions made by Medtronic to support a charitable purpose, and may be made only to a tax-exempt charity, or, in rare instances, to individuals engaged in a genuine charitable mission (“Charities”). Donations may not be linked, implicitly or explicitly, to an agreement to use, order, recommend or refer for Medtronic products or used to reward prior purchases. Donations may not result in a personal benefit to a Customer, as opposed to supporting a charitable purpose. Product donations for use outside of the U.S. must not violate any export control law.

Payments by Medtronic in return for items or services, and research grants or other payments made to entities that are not Charities, should be evaluated under Standard 6 (Consulting) or Standard 8 (Medical Conferences). Donations made to a charity to sponsor or support attendance at conferences must also meet the requirements of Standard 8.

**Support of education.** Donations that meet the requirements of Standard 3 may be made for educational purposes, including:

- Supporting an endowed chair at an academic institution;
- Subsidizing the education of fellows participating in fellowship programs with an academic affiliation;
- Subsidizing medical congresses and conferences; and
- Educating the public on health care topics.

**Support of research.** Donations that meet the requirements of Standard 3 may be made to support specific scientific research projects. These might include, for example, donations to support basic scientific research. Support for research connected to Medtronic therapies normally should be addressed under Standard 6 (Consulting).

**Other permissible purposes.** Donations that meet all of the requirements of Standard 3 may be made for other genuine philanthropic and charitable purposes

that demonstrate good corporate citizenship and represent a benefit to society; for example, support of activities directed at providing services or products to indigent patients (see Standard 2 [Discounts]).

**Fundraising events.** Support of fundraising events is only permitted where at least a portion of the donation qualifies for a charitable tax deduction. Sponsorship of either Customer participation in (e.g., the entrance fee to a charitable golf tournament), or Customer attendance at (e.g., tickets for a charitable gala), fundraising events is prohibited, except where the participants or attendees are selected by the donee or where the event involves only a meal or reception and qualifies as a business courtesy under Standard 5 (Business Courtesies).

**“Infrastructure” support.** Monetary donations may not be made to a Customer to support construction or renovation of Customer facilities, or to equip Customer facilities. However, Medtronic may purchase tickets to, or sponsor, a qualifying fundraising event (see above) even if the proceeds are designated for such purposes, and Medtronic may make donations of Medtronic equipment to support a charitable purpose. If the transfer of equipment is not to a charity and for a charitable purpose, the limitations in Standard 2 (Discounts) apply.

**Support for lobbying.** Donations that meet all other requirements of Standard 3 are permitted even when the recipient will apply some or all of the donation for lobbying activities. However, prior review by the Washington Government Affairs Office is required to ensure that these initiatives are consistent with Medtronic’s legislative goals and are likely to be effective.

**Mechanics of payment.** Donations may be made only through wire transfer to the recipient’s official bank accounts or through Medtronic check made payable to the official name of the Charity. Reimbursement for monetary donations made through the use of expense reports is expressly prohibited.

**Transmittal letter.** A transmittal letter from Medtronic clearly explaining the purpose of the donation must be sent prior to or with the donation. The transmittal letter must be approved by Medtronic Legal Counsel or, if the payment is less than \$2,500, be in a form that has been approved by Medtronic Legal Counsel and used without material modification.

**Approval process.** Each business unit must establish a process for receiving, reviewing and acting on all charitable donation proposals according to pre-established criteria consistent with Standard 3. Personnel that are part of the sales organization may not be involved in this process except to respond to Customers’ questions about where to submit an application for a donation. Budgets for donations may not reside in the sales organization.

All donations that exceed \$1,000 or the equivalent fair market value must have prior approval of a Medtronic Vice President. Donations that exceed \$15,000 or

the equivalent fair market value must be approved by a Corporate Vice President.

**Required documentation.** The disposition of each request for a donation must be documented. Also, all donations (whether of monetary or non-monetary items such as products or equipment) must be supported by documentation demonstrating that: 1) the recipient is a Charity (this will normally require evidence of the entity's tax-exempt status); 2) the donation will be used for an appropriate purpose (described above); 3) the amount of the donation is appropriate for the proposed purpose (e.g., not in excess of the anticipated costs of a proposed project or event); and 4) the donation has been received by the Charity (i.e., a receipt or acknowledgment from the recipient, or, if specified in the transmittal letter stating the purpose of the donation, a canceled check).

Research grant requests must be accompanied by an explanation of the purpose of the research, a detailed research protocol or other appropriate documentation, and a detailed budget or description of how the requested funds will be applied. Educational grant requests must be accompanied by a detailed explanation of the particular educational program involved, including date, place, and program description, and a detailed budget or description of how the requested funds will be applied.