

ST. JUDE MEDICAL, INC.
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER

I. Statement of Purpose

The Compensation Committee is a standing committee of the Board of Directors. The purpose of the Committee is to discharge the responsibility of the Board of Directors relating to compensation of the Company's Directors and executive officers (that is, those officers designated as Section 16-b officers by the Board of Directors) ("management") and related matters and to review the Company's compensation philosophy and practices at a general level. The Committee shall also prepare a report on executive compensation for inclusion in the Company's annual proxy statement.

II. Organization

A. *Members.* The members of the Committee shall be appointed by the Board of Directors upon the recommendation of the Governance and Nominating Committee and shall meet the independence requirements of applicable law and the listing standards of the New York Stock Exchange, the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the requirements of a "non-employee director" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended. The Committee shall be comprised of at least three members. Committee members may be removed by the Board of Directors. The Board of Directors shall also designate a Committee Chairperson who shall be recommended by the Governance and Nominating Committee.

B. *Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required.

C. *Management Representative.* The Board of Directors shall also appoint a non voting Management Representative to the Committee who shall be entitled to attend all meetings except when the Management Representative's personal compensation is reviewed or when the Committee chooses to meet in executive session.

D. *Secretary.* The Vice President of Human Resources shall serve as secretary to the Committee.

E. *Quorum; Action by Committee.* A quorum at any Committee meeting shall be at least two members. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.

F. *Agenda, Minutes and Reports.* The Chairperson of the Committee shall be responsible for establishing the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to

members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

III. Responsibilities

The following shall be the principal responsibilities of the Committee:

A. *Goals and Objectives.* The Committee shall review and approve periodically, but no less frequently than annually, the Company's goals and objectives relevant to compensation of the Chief Executive Officer, President, and other management, including the balance between short-term compensation and long-term incentives, shall evaluate the performance of the Chief Executive Officer and other management in light of those goals and objectives and shall set the compensation level of the Chief Executive Officer and other management based on such evaluation. The Committee shall use the results of the CEO review process conducted by the entire Board of Directors in meeting this responsibility.

B. *Compensation Levels.* The Committee shall recommend to the full Board of Directors the compensation level (including base and incentive compensation) and direct and indirect benefits of the Chief Executive Officer and President. The Committee shall establish the compensation level (including base and incentive compensation) and direct and indirect benefits of other management.

C. *Post-Service Arrangements.* The Committee shall evaluate the post-service arrangements and benefits of the Chief Executive Officer and other management and their reasonableness in light of practices at comparable companies and any benefits received by the Company in connection with such arrangements.

D. *Incentive Compensation Plans.* The Committee shall make recommendations to the Board of Directors with respect to the establishment and terms of incentive compensation plans and equity-based plans and shall administer such plans, including determining any awards to be granted to management under any such plan implemented by the Company.

E. *Appointment and Monitoring of Named Fiduciaries.* With respect to any funded employee benefit plan covering employees of the Company subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, the Committee shall have the authority to appoint and terminate the named fiduciary or named fiduciaries of such plan and shall monitor their performance, unless such fiduciaries are specified in the constituent plan documents.

F. *Evaluation of Compensation Program.* The Committee shall review on a periodic basis the operation of the Company's compensation program to evaluate its coordination and execution and shall provide recommendations to modify such programs to the Board of Directors.

G. *Administrator.* The Committee is designated as the Administrator, the Committee, or the Administrative Committee for purposes of administering the following plans of the Company:

All stock option and stock plans, Employee Stock Purchase Plans, Management Incentive Compensation Plan (MICP), and Board of Directors Retirement Plan.

H. *Perquisite Policies.* The Committee shall establish and review periodically policies with respect to management perquisites.

I. *Director Compensation and Perquisites.* The Committee shall advise the Board of Directors with respect to proposed changes in Board or Committee compensation, as well as Director retirement policies and programs and perquisites, but not less frequently than bi-annually. The Committee may request that management report to the Committee periodically on the status of the Board's compensation and perquisites in relation to other similarly situated companies. Directors who are Company employees shall not be compensated for their services as Directors. The Committee shall review bi-annually any stock ownership guidelines applicable to Directors and shall recommend to the Board of Directors revisions to any such guidelines as appropriate.

J. *Committee Performance Evaluation.* The Committee shall evaluate its performance on an annual basis and develop criteria for such evaluation.

K. *Access to Records, Consultants and Others.* The Committee shall have the ultimate authority and responsibility to engage and terminate any outside consultant to assist in discharging its responsibilities and to approve the terms of any such engagement and the fees of any such consultant. The Committee shall have full access to any relevant records of the Company and may also request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.

L. *Annual Compensation Committee Report.* The Committee shall produce an annual report on executive compensation for inclusion in the Company's annual proxy statement, all in accordance with applicable rules and regulations.

M. *Other Duties.* The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.