

Principles of Corporate Governance

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The Board of Directors of St. Jude Medical, Inc. (the "Company") has adopted the following principles of corporate governance.

Board of Directors

Independence

A majority of the members of the Board of Directors shall be independent of management.

Determination of Independence

The Governance and Nominating Committee will annually review the status of each Director as independent or not independent using the following criteria from the Company's by-laws:

1. has not been employed by the Company in an executive capacity within the last five years;
2. is not, and is not affiliated with a company that is, an advisor or consultant to the Company, or a significant customer or supplier of the Company;
3. has no personal service contracts with the Company or the Company's senior management;
4. is not affiliated with a not-for-profit entity that receives significant contributions from the Company;
5. is not employed by a public company at which an executive officer of the Company serves as a Director;
6. does not have a relationship described in 1 through 5 above with any affiliate of the Company; and
7. is not a member of the immediate family of any person described in 1 through 6 above.

In addition, the Governance and Nominating Committee will consider each Director's status as independent under the New York Stock Exchange (the "NYSE") and Securities and Exchange Commission (the "SEC") definitions (for Audit Committee and Compensation Committee members). The Committee's recommendations will be referred to the entire Board of Directors for final determination.

Committees

The Board of Directors has three standing Committees: Audit, Compensation and Governance and Nominating. Each of these Committees has a [written charter](#). Each Committee consists entirely of independent Directors. Committee membership is proposed by the Governance and Nominating Committee and approved by the entire Board.

Sessions of the Independent Directors

At least twice each year the independent members of the Board of Directors meet in a separate session. These sessions are chaired by the Presiding Director who is the Chairperson of the Governance and Nominating Committee.

Annual Board Performance Review

Each year the Board of Directors will conduct a review of its own performance as well as the performance of its standing Committees.

Board Role in Risk Oversight.

The Board takes an active role in risk oversight of the Company both as a full Board and through its Committees through detailed reviews, discussions and presentations by the heads of the Company's various businesses and key functional areas.

Board Role in Strategy

The Board of Directors dedicates the major portion of two meetings each year to the Company's strategic plan — one meeting at the beginning of the strategic planning process and the second to approve the plan.

Board Role in Succession Planning

The Board devotes a substantial portion of one meeting each year to a management-led review of the Company's succession planning process. The major portion of one independent Directors' session each year is devoted to the CEO succession plan.

CEO Review

Each year the Board of Directors conducts a formal review of the CEO's performance.

Director Terms

Each Director is elected for a three-year term. The terms are staggered. The Board of Directors has no term limit policy.

If a Director experiences a material change in the Director's occupation (including termination of the Director's employment or a material change in the Director's position or principal responsibilities), the Director shall promptly offer to tender the Director's resignation to the Chairman of the Board.

The Governance and Nominating Committee shall consider the resignation offer and recommend to the Board whether to accept it. The Board will act on the Governance and Nominating Committee's recommendation within 90 days following receipt of the Governance and Nominating Committee's recommendation.

Voting for Directors

In an uncontested election, any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly offer to tender his or her resignation to the Chairman of the Board following certification of the shareholder vote. The Governance and Nominating Committee shall consider the resignation offer and recommend to the Board whether to accept it. The Board will act on the Governance and Nominating Committee's recommendation within 90 days following certification of the shareholder vote.

Thereafter, the Board will promptly disclose its decision whether to accept the Director's resignation offer (and the reasons for rejecting the resignation offer, if applicable) in a press release to be disseminated in the manner that Company press releases typically are distributed.

Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Governance and Nominating Committee recommendation or Board action regarding whether to accept the resignation offer.

However, if each member of the Governance and Nominating Committee received a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

Limit on Number of Directorships

The Company has a guideline that Directors should serve on no more than three to five boards of other publicly owned companies.

Director Orientation and Education

The Company has a formal orientation program for new Directors. The Company does not require that Directors attend a "Director college" or similar program, but will reimburse each Director for tuition and reasonable travel expenses to attend one ISS accredited Director education program each calendar year.

Director Responsibilities

Directors are expected to have a good attendance record at Board and committee meetings, to read in advance the meeting materials, to be generally knowledgeable about the strategy and affairs of the Company and to approach their duties with an independent frame of mind.

Access to Others

Directors have access to all the officers of the Company and as a Board or as a Board committee have the authority to directly retain independent advisors if they consider it to be advisable.

Combination of Chairman and CEO Positions

The Board believes that there is no single best organizational model that is the most effective in all circumstances and that the shareholders' interests are best served by allowing the Board to retain the flexibility to determine the optimal organizational structure for the Company at a given time, including whether the Chairman role should be held by an independent director or a senior executive who serve on the Board. The members of the Board possess considerable experience and unique knowledge of the challenges and opportunities the Company faces and are in the best position to evaluate the needs of the Company and how best to maximize the capabilities of the Directors and management to meet those needs. The Board has determined that the Company is best served at the current time by having one person serve as both Chief Executive Officer and Chairman of the Board.

Compensation

Shareholder Approval of Plans

The Company submits its stock option and other stock plans and executive bonus plans to the shareholders for approval.

Repricing of Stock Options

The Company does not reprice stock options.

Stock Ownership Guidelines

In order to align the interests of shareholders and management, the Company has [stock ownership guidelines](#) for Directors, officers and senior employees.

Loans to Officers and Directors

Company loans to officers and Directors are prohibited.

Compensation of Directors

The following principles are used to develop the compensation of non-management Directors:

1. Directors should be fairly compensated for the time commitment and responsibility associated with service as a Director.
2. Director's compensation should be comparable to the compensation of Directors of companies of similar size and nature as the Company.

3. Director compensation should facilitate Directors acquiring an equity position in the company consistent with the stock ownership guidelines.

Stock Option Accounting Treatment

The Company expenses equity instruments, including stock options, in accordance with FAS 123 (R).

Code of Business Conduct

The Company has adopted a [Code of Business Conduct](#) that applies to all employees and Directors. Any waivers granted under the Code are brought to the attention of the Audit Committee.

Shareholder Rights Plan

The Company currently has no shareholder rights plan in place. The Board may consider from time to time adopting a shareholder rights plan in order to protect shareholder interests by encouraging any potentially hostile bidder to negotiate with the Board and Company management.

Relationship with External Auditors

The Audit Committee of the Board of Directors has the authority to retain and terminate the Company's external auditor. The Company has a policy that prohibits the hiring of personnel from the Company's external auditor for two years after the person has left the external auditor. The Company has a policy prohibiting Directors who are members of the Audit Committee and executive officers from using the Company's external auditor for tax services.

Assessment of Independence of Compensation Consultant

The Compensation Committee will review annually the independence of its compensation consultant under all applicable laws, rules and regulations.

As amended on February 25, 2011