



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

NOTE

This document provides general answers to some common questions that shareholders of Medtronic may have in connection with the acquisition of Covidien. For further detail on the transaction, you should review the Registration Statement on Form S-4 filed by Medtronic plc (f/k/a Medtronic Holdings Limited) with the SEC available on the Medtronic Investor Relations website at <http://investorrelations.medtronic.com>. Certain questions and answers in this document relate to tax matters, and the description of any tax matters in this document is intended primarily for U.S. shareholders of Medtronic, Inc. The descriptions of certain tax provisions in this document are general in nature and are based on U.S. federal tax law in effect on June 5, 2015. To get answers for your specific situation, you should consult your tax and/or financial advisor.

To avoid delays in processing communications or payments and the unnecessary application of U.S. or Irish withholding taxes, shareholders should ensure that their residency or other required U.S. tax information is properly recorded in their brokers' records or otherwise has been provided correctly to Medtronic's transfer agent.

The following terms are used in this document:

- **Medtronic, Inc.**, the legacy New York Stock Exchange-listed parent company, incorporated in Minnesota
- **Medtronic plc**, the new Irish tax resident, New York Stock Exchange-listed parent company owning both Medtronic, Inc. and Covidien
- **Registered shareholders**, shareholders whose Medtronic, Inc. or Covidien plc shares were held directly in the name of the shareholder on the share register maintained by Medtronic, Inc.'s transfer agent (also referred to as the exchange agent), Wells Fargo Shareowner Services, or Covidien plc's transfer agent, Computershare, as the case may be.
- **Beneficial shareholders**, shareholders whose Medtronic, Inc. or Covidien plc shares were held indirectly through a bank or broker
- **Closing Date**, January 26, 2015, the date of the consummation of the transaction

RATIONALE FOR THE ACQUISITION

1. Why did Medtronic pursue this transaction?

Medtronic believes this is a highly strategic and compelling acquisition, fully aligned with our Mission of alleviating pain, restoring health, and extending life for patients around the world. The transaction is expected to meaningfully accelerate all three of our growth strategies – Therapy Innovation, Globalization, and Economic Value –



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

and bolster the long-term sustainability and consistency of our revenue growth expectations. Finally, the combined company should generate significant free cash flow, a greater percentage of which can be deployed with much greater flexibility. These cash flows can be used to invest in U.S. healthcare technologies, as well as to enhance returns to shareholders.

TIMING

2. When did this transaction close?

On Monday, January 26, 2015, Medtronic, Inc. acquired Covidien plc (the “Acquisition”) through the formation of a new holding company incorporated in Ireland, Medtronic plc (“New Medtronic”). For U.S. tax purposes, shareholders of Medtronic, Inc. and Covidien plc were treated as having exchanged their shares in the merger and scheme, respectively, before market opening on the Closing Date. The discussion of U.S. tax considerations throughout this document is based on that treatment.

SHARE EXCHANGE

3. What will I receive for my Medtronic, Inc. common stock as a result of the transaction?

Each share of Medtronic, Inc. common stock has been cancelled and converted into the right to receive one Medtronic plc ordinary share. Generally, if any of your Medtronic, Inc. shares were held through a broker, the exchange of your Medtronic, Inc. shares for Medtronic plc shares (and cash in lieu of fractional shares) was automatically handled by them on your behalf in accordance with such party’s procedures.

For Medtronic, Inc. registered shareholders who held shares in certificate form or direct register with Medtronic’s transfer agent, Wells Fargo Shareowner Services, the process requires some action by the shareholder. Shortly after the closing of the transaction, the exchange agent (Wells Fargo Shareowner Services) mailed to each former holder of record of shares of Medtronic, Inc. common stock a letter of transmittal and instructions for use in surrendering their Medtronic, Inc. shares. Do not send in your certificates representing shares of Medtronic, Inc. common stock you received without the letter of transmittal and the accompanying documents. Upon signing and returning the letter of transmittal to the exchange agent in accordance with the instructions, former Medtronic, Inc. shareholders will receive one Medtronic plc ordinary share (and cash in lieu of any fractional shares) in



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

exchange for each share of Medtronic, Inc. common stock surrendered to the exchange agent.

The letter of transmittal packet also included a certification form concerning the U.S. tax treatment of the merger to holders of Medtronic, Inc. stock (the “MDT Tax Certification Form”). Registered shareholders would have had to complete the MDT Tax Certification Form and submitted it by March 27, 2015, to certify whether the holder should be treated as receiving a taxable dividend or a payment of proceeds from the sale of their Medtronic, Inc. stock in the merger for U.S. tax purposes. See the discussion in questions 14 and 18 under “Tax Impact” below, the instructions to the letter of transmittal, and Medtronic plc’s Form S-4 for more information. If your Medtronic, Inc. shares were held through a broker, please contact your broker to discuss whether the broker provided a certification form relating to the tax treatment of the merger. As an example, we have included a sample form similar to the MDT Tax Certification Form that Wells Fargo Shareowner Services sent to registered shareholders, entitled “Medtronic Shareholder Sample Broker Tax Certification form”, that can be accessed on the Medtronic Investor Relations website at <http://investorrelations.medtronic.com>, by clicking on the [Medtronic – Covidien Transaction Important Information](#) link under “Investor Resources” or by clicking [here](#). If your broker has not provided you with a certification form, please contact your broker to discuss whether they will accept a form substantially similar to this sample form.

If your Medtronic, Inc. shares were held at Medtronic, Inc.’s transfer agent (Wells Fargo Shareowner Services) in book entry or certificated form (including Medtronic Employee Stock Purchase Plan participants and Dividend Reinvestment Plan Participants), you will have to sign and return a letter of transmittal in accordance with the instructions to get your Medtronic plc shares registered in your name on Medtronic plc’s share register. Failure to complete and return all the documents (other than the MDT Tax Certification Form, which relates exclusively to the treatment of a shareholder in the merger) in the packet may result in a delay of receiving future dividend payouts.

What happens if I do nothing?

If you were a registered shareholder and do not sign and return the letter of transmittal in accordance with the instructions, your Medtronic, Inc. shares cannot be traded, gifted or otherwise used, and your Medtronic plc shares will not be properly registered in your name on Medtronic plc’s share register. **You also will not receive your dividends on your Medtronic plc shares until you sign and return the letter of transmittal in accordance with the instructions.** Additionally, failure of a non-U.S. holder to sign and return the MDT Tax Certification Form may result in U.S. federal tax being withheld from the consideration such holder receives, even though such withholding may not otherwise have been imposed had the shareholder timely



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

returned a properly completed MDT Tax Certification Form certifying that the shareholder is entitled to gross proceeds treatment in the transaction.

4. My shares in Covidien were at Computershare, what happened to my Covidien shares?

Shortly after the closing of the transaction, the exchange agent mailed to each former holder of record of Covidien plc ordinary shares a letter of transmittal and instructions for use in surrendering the Covidien plc shares in exchange for 0.956 of a Medtronic plc share and \$35.19 in cash (and cash in lieu of any fractional shares).

The letter of transmittal also included a certification form concerning the U.S. tax treatment of the Irish scheme of arrangement to holders of ordinary shares of Covidien plc (the "Covidien Tax Certification Form"). Registered shareholders must complete the Covidien Tax Certification Form and submit it by December 31, 2015, to certify whether the holder should be treated as receiving a taxable dividend or a payment of proceeds from the sale of their shares of Covidien plc in the scheme for U.S. tax purposes. See the discussion in questions 14, 15 and 18 under "Tax Impact" below, the instructions to the letter of transmittal, and Medtronic plc's Form S-4 for more information.

What happens if I do nothing?

In accordance with Irish law, if you did not sign and return the letter of transmittal, each of your Covidien plc shares were converted automatically into 0.956 of a Medtronic plc share and \$35.19 in cash (and cash in lieu of any fractional shares) within 14 days of the closing of the transaction. Failure to sign and return the letter of transmittal may also have resulted in backup withholding taxes being applied to the scheme consideration paid to you. We urge all record holders to sign and return the letter of transmittal promptly upon receipt. If you held any of your Covidien plc shares with a broker, the Medtronic plc shares and cash to which you are entitled in exchange for your Covidien plc shares were deposited into your broker account within 14 days of the closing of the transaction.

If I am a non-U.S. holder, can I receive a refund of backup withholding taxes?

Some shareholders of Covidien may have had amounts withheld from the consideration paid to them for their Covidien shares in the scheme of arrangement for U.S. backup withholding. The amount of backup withholding will be allowed as a credit against the shareholder's U.S. federal income tax liability, if any, and may entitle the shareholder to a refund, provided that certain required information is timely furnished to the IRS. If you are such a shareholder, please contact your tax advisor to discuss whether a refund is available to you, and how to claim a refund. You may also contact the IRS directly. Contact information is available at <http://www.irs.gov/uac/How-to-Contact-the-IRS-1>.



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

Generally, in the case of non-U.S. tax residents, individual shareholders eligible for a refund may make a claim for a refund by filing IRS Form 1040NR, U.S. Nonresident Alien Income Tax Return with the IRS following the completion of the 2015 U.S. tax year. Corporate shareholders may do so by filing IRS Form 1120-F, U.S. Income Tax Return of a Foreign Corporation. Please see the relevant forms, the instructions to those forms, and IRS Publication 519 (all of which are publicly available at www.irs.gov, under "Forms and Pubs"). Additional information is also available on the IRS's website at www.irs.gov/Individuals/International-Taxpayers.

5. Am I entitled to receive any fractional shares of Medtronic plc in the transactions?

Since Irish law does not recognize fractional shares held of record, Medtronic plc did not issue any fractions of Medtronic plc ordinary shares. Instead, the total number of Medtronic plc ordinary shares that a Medtronic, Inc. or Covidien plc shareholder would have been entitled to receive were rounded down to the nearest whole number. All entitlements to fractional Medtronic plc ordinary shares held by a registered shareholder (i.e., your shares are held of record on Medtronic, Inc.'s or Covidien plc's shareholder records, as maintained by Medtronic, Inc.'s or Covidien plc's transfer agent, respectively) were aggregated with the entitlements to fractional Medtronic plc ordinary shares of all other such registered Medtronic, Inc. or Covidien plc shareholders and were sold by the exchange agent, with any sale proceeds being distributed in cash pro rata to such registered Medtronic, Inc. or Covidien plc shareholders whose fractional entitlements have been sold. If you were also a beneficial shareholder (i.e., you also held shares through a bank or broker), your bank or broker would have handled any interests in fractional shares held by it, and you should contact your bank or broker directly for additional information.

See question 19 below under "Tax Impact" for information on the treatment of cash in lieu of fractional shares received in the merger or the scheme.

6. How will I receive the cash portion of my consideration?

If you are a registered shareholder, Medtronic plc's exchange agent will pay any cash consideration (including any consideration resulting from the sale of any fractional entitlements) via check upon the exchange of your Medtronic, Inc. common stock or Covidien plc ordinary shares. This will be mailed to the address of record on file with Wells Fargo Shareowner Services. If you are a beneficial shareholder, your bank or broker would have handled the distribution of your cash consideration and you should contact your bank or broker directly for additional information.

7. What if some or all of my Medtronic, Inc. share certificates were lost or destroyed?



You should call Wells Fargo Shareowner Services at +1-888-648-8154 or +1-651-450-4064 for instructions on what is needed for replacement.

8. What if I lost my exchange form and need a new one?

You may call Wells Fargo Shareowner Services at +1-888-648-8154 or +1-651-450-4064 for a replacement form.

9. Will I be charged a commission on the exchange of shares related to the transaction?

Medtronic will be absorbing transaction fees for registered shareholders (other than withholding taxes) related to the share exchanges that would otherwise be imposed by the transfer agent. Medtronic will not absorb any account transaction fees imposed by a broker dealer.

10. Where are ordinary shares of Medtronic plc traded?

Medtronic plc ordinary shares are traded on the New York Stock Exchange under the same historical ticker symbol "MDT".

11. What are the CUSIP and ISIN numbers for Medtronic plc ordinary shares?

The ordinary shares of Medtronic plc have been assigned CUSIP number G5960L103 and ISIN number IE00BTN1Y115.

TAX IMPACT

12. Will this transaction be a taxable event for shareholders of Medtronic, Inc. or Covidien plc?

Yes (in addition to the following, refer to question 21 if your shares are held in an IRA or other retirement account).

For Medtronic, Inc. shareholders, the structure of the transaction required the exchange of your Medtronic, Inc. common stock for new Medtronic plc ordinary shares, as well as the payment of cash in lieu of fractional Medtronic plc ordinary shares (the discussion throughout this document generally assumes you do not hold fractional shares; see question 5 under "Share Exchange" above, and question 19 below, for more information on fractional shares). Accordingly, for U.S. shareholders that held common stock in Medtronic, Inc. at the time of the closing, this will be considered a taxable transaction for U.S. federal income tax purposes.



For Covidien plc shareholders, the structure of the transaction required the exchange of your Covidien plc ordinary shares for new Medtronic plc ordinary shares plus cash consideration, as well as the payment of cash in lieu of fractional Medtronic plc ordinary shares. Accordingly, for U.S. shareholders that held Covidien plc ordinary shares at the time of the closing, this will be considered a taxable transaction for U.S. federal income tax purposes.

The transactions will generally be reported by Medtronic and its agents for tax purposes as (1) a sale at the fair market value of Medtronic, Inc. shares as of the closing of the transaction (in the case of Medtronic Inc. shareholders), and (2) a sale of Covidien ordinary shares for cash plus the fair market value of Medtronic plc shares received as of the closing (in the case of Covidien plc shareholders). Medtronic and its agents intend to use the closing price per share of Medtronic, Inc. of \$76.95 on January 23, 2015, as the fair market value for each share of Medtronic plc for tax reporting purposes. Beneficial shareholders (other than those exempt from information reporting in the United States) should receive a Form 1099 from their broker in February 2016 reporting the proceeds of the transaction.

No Irish tax on chargeable gains should arise on the transaction for a Medtronic or Covidien shareholder who is neither resident nor ordinarily resident in Ireland and who does not hold such shares in connection with a trade or business carried on in Ireland through an Irish branch or agency.

Please contact your tax advisor about the application of these rules to you.

13. What made this transaction a taxable event for Medtronic shareholders? The acquisitions that Medtronic has done in the past have never been a taxable event for us.

In this transaction, Medtronic, Inc. became a subsidiary of a new Irish holding company, Medtronic plc. This new structure was the only available structure that provided Medtronic access to cash at Covidien without incurring an additional tax to invest that cash in the U.S.

In this transaction, shares of Medtronic, Inc. are exchanged for ordinary shares of Medtronic plc. Business combinations such as this, where stock in a U.S. company is exchanged for stock in a foreign company, result in a taxable transaction for all U.S. shareholders of the U.S. company under U.S. tax rules, if those shareholders collectively own more than 50% of the stock of the new foreign holding company after the transaction.

14. How will I calculate my U.S. tax?



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

U.S. beneficial owners of Medtronic, Inc. common stock will generally recognize taxable capital gain or loss as of the closing of the transaction, equal to the difference between (1) the holder's adjusted tax basis in the Medtronic common stock surrendered in the exchange, and (2) the fair market value of the Medtronic plc ordinary shares as of the closing.

U.S. beneficial owners of ordinary shares of Covidien plc will generally recognize taxable capital gain or loss as of the closing of the transaction equal to the difference between (1) the holder's adjusted tax basis in the Covidien shares surrendered in the exchange, and (2) the sum of the fair market value of the Medtronic plc ordinary shares of the closing and the holder's cash consideration.

In each case, Medtronic and its agents intend to use the closing price per share of Medtronic, Inc. of \$76.95 on January 23, 2015, as the fair market value for each share of Medtronic plc for tax reporting purposes. U.S. beneficial owners who are subject to information reporting will receive Form 1099s in respect of the transaction. See question 16 below for instructions on how to calculate your basis in the shares of Medtronic, Inc. or Covidien that you exchanged in the merger or the scheme.

If you owned shares in both Medtronic, Inc. and Covidien, your tax treatment may be different. In certain circumstances, a special U.S. tax rule could cause a U.S. holder of Medtronic, Inc. common stock whose percentage interest (taking into account shares owned directly or by attribution) in Medtronic plc after the consummation of the transaction and related purchases or sales (which may include purchases or sales on or after the Closing Date) is greater than or equal to such holder's percentage interest in Medtronic, Inc. immediately before the consummation of the transaction (for example, as a result of having a higher percentage ownership in Covidien ordinary shares than in Medtronic, Inc. common stock as of immediately prior to the consummation of the transaction) to be treated as receiving a dividend up to the fair market value as of the closing of the Medtronic plc ordinary shares issued in the merger, regardless of such holder's gain or loss on its Medtronic, Inc. common stock. Registered holders of Medtronic, Inc. common stock who receive a letter of transmittal should return the attached MDT Tax Certification Form by the specified deadline to provide information on their share ownership of Medtronic, Inc. and Covidien plc, and to indicate whether or not they should be subject to dividend treatment on the merger consideration. If your Medtronic, Inc. shares were held through a broker, please contact your broker to discuss whether the broker will provide a similar certification form relating to the tax treatment of the merger. Please also see the discussion in question 3 under "Share Exchange" above for a sample form similar to the certification form provided to registered shareholders. If your broker has not provided you with a certification form, please contact your broker to discuss whether they will accept a form substantially similar to this sample form.



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

Similarly, this same U.S. tax rule could cause a U.S. holder of Covidien ordinary shares whose percentage interest (taking into account shares owned directly or by attribution) in Medtronic plc after the consummation of the transaction and related purchases or sales (which may include purchases or sales on or after the Closing Date) is greater than or equal to such holder's percentage interest in Covidien plc immediately before the consummation of the transaction (for example, as a result of having a higher percentage ownership in Medtronic, Inc. common stock than in Covidien ordinary shares as of immediately prior to the consummation of the transaction) to be treated as receiving a dividend up to the holder's cash consideration, regardless of such holder's gain or loss on its Covidien plc ordinary shares. Registered holders of Covidien plc ordinary shares who received a letter of transmittal should return the attached Covidien Tax Certification Form by the specified deadline to provide information on their share ownership of Medtronic, Inc. and Covidien plc, and to indicate whether or not they should be subject to dividend treatment in respect of the cash consideration received under the scheme of arrangement. If your Covidien plc shares were held through a broker, please contact your broker to discuss whether the broker will provide a similar certification form relating to the tax treatment of the scheme. As an example, we have included a sample form similar to the Covidien Tax Certification Form that Wells Fargo Shareowner Services sent to registered shareholders, entitled "Covidien Shareholder Sample Broker Tax Certification form", that can be accessed on the Medtronic Investor Relations website at <http://investorrelations.medtronic.com>, by clicking on the [Medtronic – Covidien Transaction Important Information](#) link under "[Investor Resources](#)" or by clicking [here](#). If your broker has not provided you with a certification form, please contact your broker to discuss whether they will accept a form substantially similar to this sample form.

In the case of a U.S. holder subject to dividend treatment on the exchange of either Medtronic, Inc. common stock or Covidien plc ordinary shares, the entire amount of the dividend would be subject to U.S. federal income tax. Any such dividend would be an "extraordinary dividend," which under other special rules might affect the tax basis of U.S. holders who are corporations (see also question 20 below), and which might affect the character of any capital loss recognized by U.S. holders who are individuals.

Please consult with your tax advisor about the application of these rules to you.

15. I am a former Covidien shareholder who also owned shares in Medtronic, Inc. How will I know whether or not the special tax rule on dividend treatment applies to me on the exchange of my Covidien shares?

As noted above in question 14, a special U.S. tax rule may apply to cause a holder of Covidien ordinary shares whose percentage interest (taking into account shares owned directly or by attribution) in Medtronic plc after the consummation of the



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

transaction and related purchases or sales is greater than or equal to such holder's percentage interest in Covidien plc immediately before the consummation of the transaction (for example, as a result of having a higher percentage ownership in Medtronic, Inc. common stock than in Covidien ordinary shares as of immediately prior to the consummation of the transaction) to be treated as receiving a dividend up to the holder's cash consideration received in respect of their Covidien plc ordinary shares, regardless of such holder's gain or loss on its Covidien plc ordinary shares. This rule would apply if shareholders owning at least 50 percent of Covidien plc ordinary shares before the transactions owned at least 50 percent of Medtronic plc ordinary shares as a result of the transactions, taking into account shares of Medtronic plc those shareholders received in exchange for their Covidien plc shares in the Irish scheme of arrangement, as well as shares of Medtronic plc that former Covidien shareholders who also owned common stock of Medtronic, Inc. received in the merger.

Based on our analysis of shareholder data as of the Closing Date, we have concluded that this special tax rule applies to the exchange of ordinary shares of Covidien plc in the scheme of arrangement, and we have reflected that position on IRS Form 8937 (published in connection with the scheme of arrangement, and available on our Investor Relations website).

Please note, however, that it is impossible for Medtronic to calculate with certainty the exact proportion of Medtronic plc stock owned for purposes of this U.S. tax rule by former Covidien plc shareholders due to the incompleteness of the information reasonably available to Medtronic. However, based on the expectation above and absent any significant change in closing date share ownership information, Medtronic and its exchange agent, Wells Fargo Shareowner Services, intend to take the position that the special U.S. tax rule applies. For a more detailed explanation of the relevant rules, and the potential for your cash consideration to be treated as a taxable dividend for U.S. tax purposes, please consult your tax advisor and see the discussion on page 147 of the Form S-4, under "Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction."

16. I am subject to U.S. tax on my capital gains. How will I calculate my stock basis in the shares of Medtronic, Inc. and/or Covidien that I exchanged?

As we described in question 14 above, if you were a Medtronic, Inc. shareholder who is subject to capital gains treatment, your capital gain or loss will be calculated as of the closing, and will equal the difference between (1) your adjusted tax basis in the Medtronic, Inc. common stock surrendered in the exchange, and (2) the fair market value of Medtronic plc ordinary shares as of the closing received as consideration in the merger. If you were a Covidien plc shareholder who is subject



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

to capital gains treatment, your capital gain or loss will be calculated as of the closing, and will equal the difference between (1) your adjusted tax basis in the Covidien plc ordinary shares surrendered in the exchange, and (2) the sum of the fair market value of the Medtronic plc ordinary shares of the closing and your cash consideration received as consideration in the scheme. Medtronic and its agents intend to use the closing price per share of Medtronic, Inc. of \$76.95 on January 23, 2015, as the fair market value for each share of Medtronic plc for tax reporting purposes.

The basis of your Medtronic, Inc. common stock or your Covidien ordinary shares generally is the purchase price you paid for the stock plus the costs of purchase, such as commissions and recording or transfer fees. If you acquired Medtronic, Inc. common stock or Covidien ordinary shares other than by purchase, your basis is usually determined by fair market value on the date you acquired the stock, or the previous owner's adjusted basis depending on how you acquired your stock. Employees who received shares under employment plans may be subject to different rules and should consult their advisors regarding their tax basis in the Medtronic, Inc. common stock or Covidien ordinary shares they are exchanging in the transaction.

Information regarding the historical performance of Medtronic, Inc. common stock, dividend history, a simple investment calculator, and a link to a third-party cost basis service is posted under the Stock Information section of Medtronic's Investor Relations website at <http://investorrelations.medtronic.com>.

For more information on determining your cost basis, you can visit the IRS's website: [http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses-and-Sale-of-Home/Stocks-\(Options,-Splits,-Traders\)/Stocks-\(Options,-Splits,-Traders\)-1](http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Capital-Gains,-Losses-and-Sale-of-Home/Stocks-(Options,-Splits,-Traders)/Stocks-(Options,-Splits,-Traders)-1)

Please contact your tax advisor about the application of these rules to you.

17. I am an employee of Medtronic. Where can I find additional information regarding tax matters that may be applicable to my situation?

On June 27, 2014, Medtronic, Inc. filed a "Covidien Acquisition Tax Implications Fact Sheet" with the SEC, which contains additional information relevant to employees.

The fact sheet is available here:

<http://www.sec.gov/Archives/edgar/data/64670/000119312514253514/d750619d425.htm>

In addition, there are many online resources available through the MyMedtronic intranet site under the Together We Can tab.



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

Employees should also consult their advisors regarding the tax impact of this transaction.

18. I am a non-U.S. holder. Will I be subject to U.S. federal income tax in respect of this transaction?

Different former shareholders of Medtronic Inc. will have different U.S. tax treatment in the merger depending on their particular circumstances. Non-US holders may be subject to US taxation on the consideration they received in the merger. The treatment of non-U.S. holders of Medtronic, Inc. in the transaction was described in detail in Medtronic's S-4 filed with the SEC. Please see the discussion below, and pages 142-146 of the S-4, for more information.

A non-U.S. holder of Medtronic, Inc. generally should not be subject to U.S. federal income or withholding tax in respect of the proceeds received in the transaction (assuming the holder is not otherwise subject to U.S. tax on a net income basis in respect of his or her holding of Medtronic, Inc. common stock).

However, if you are a non-U.S. holder who owned both Covidien ordinary shares and Medtronic, Inc. common stock, you may be subject to U.S. tax. In certain circumstances, a special U.S. tax rule could cause a non-U.S. holder of Medtronic, Inc. common stock whose percentage interest (taking into account shares owned directly or by attribution) in Medtronic plc after the transaction and related purchases or sales is greater than or equal to such holder's percentage interest in Medtronic, Inc. immediately before the transaction (for example, as a result of having a higher percentage ownership in Covidien ordinary shares than in Medtronic, Inc. common stock) to be treated as receiving a dividend up to the fair market value (as of the closing) of the Medtronic plc ordinary shares issued in the merger, regardless of such holder's gain or loss on its Medtronic, Inc. common stock. In the case of such a non-U.S. holder, the entire amount of the dividend would be subject to U.S. federal withholding tax at a 30% rate (or lower rate under an applicable U.S. income tax treaty).

Registered shareholders of Medtronic, Inc. received a MDT Tax Certification Form from Wells Fargo Shareowner Services, which allowed such shareholders to certify whether they should have been treated as receiving a taxable dividend or a payment of proceeds from the sale of their Medtronic, Inc. stock in the merger for U.S. tax purposes. If any of your Medtronic, Inc. shares were held through a broker, please see the discussion in question 3 under "Share Exchange" and in question 14 above regarding tax certification forms that your broker may provide, and for a sample form similar to the certification form provided to registered shareholders.

A non-U.S. holder of Covidien plc generally should not be subject to U.S. federal income in respect of the proceeds received in the transaction (assuming the holder



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

is not otherwise subject to U.S. tax on a net income basis in respect of his or her holding of Medtronic, Inc. common stock). A non-U.S. holder of Covidien plc share may have been subject to backup withholding. (See question 26.)

A non-U.S. holder who actually or constructively owned both Medtronic common stock and Covidien ordinary shares should consult his or her own tax advisors regarding the withholding tax consequences of the transaction.

A non-U.S. holder of Medtronic, Inc. who had amounts withheld from the consideration paid to them in the merger may be eligible for a refund of all or a portion of the taxes withheld, if the special tax rule described above does not apply to such a non-U.S. holder or, if the special rule applied, but the holder was entitled (pursuant to an applicable tax treaty) to a reduced rate of withholding. Generally, in the case of non-U.S. tax residents, individual shareholders eligible for a refund may make a claim for a refund following the close of the 2015 tax year after having received the 1099 or 1042-S forms issued by Wells Fargo Shareowner Services or your bank/broker. Refunds can generally be applied for by filing IRS Form 1040NR, U.S. Nonresident Alien Income Tax Return with the IRS. Corporate shareholders may do so generally by filing IRS Form 1120-F, U.S. Income Tax Return of a Foreign Corporation. Please see the relevant forms, the instructions to those forms, and IRS Publication 519 (all of which are publicly available at www.irs.gov, under "Forms and Pubs"). Additional information is also available on the IRS's website at: www.irs.gov/Individuals/International-Taxpayers

19. What is the U.S. federal tax treatment of cash I receive in lieu of fractional shares in the merger or the scheme?

If the shares you owned would have entitled you to receive fractional shares of Medtronic plc in the merger or the scheme, the calculation of your U.S. tax in the transaction will be different than described above. Specifically, in calculating your U.S. tax, you would be treated as follows:

- If you are subject to tax on capital gains and losses in the merger or the scheme (see questions 14 and 15 above), the total consideration you receive for purposes of calculating your capital gain or loss will include the amount of any cash you receive in lieu of fractional shares.
- If you owned shares in both Medtronic, Inc. and Covidien, and are treated as receiving a dividend in the merger rather than being taxed on capital gains or losses (see question 14 above), the amount of such dividend will be up to the fair market value (as of the closing) of the Medtronic plc ordinary shares you received in the merger (including any fractional shares). The conversion of fractional shares into cash may also give rise to taxable gain or loss. If you are treated as receiving a dividend in the scheme, the amount of such dividend will



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

be up to the amount of the total cash consideration you received in the scheme, but would generally not include any cash you receive in lieu of fractional shares.

- If you were a non-U.S. holder of Medtronic Inc. common stock and are subject to dividend treatment in the merger (see question 18 above), the amount of the dividend that would be subject to U.S. federal withholding tax includes the value of fractional shares.

20. What will be the tax basis of the new Medtronic plc shares I receive at the time of closing?

The U.S. tax basis for the ordinary shares of Medtronic plc issued to you in connection with this transaction will generally be the fair market value at the closing. Medtronic and its agents intend to use the closing price per share of Medtronic, Inc. of \$76.95 on January 23, 2015, as the fair market value for each share of Medtronic plc for tax reporting purposes. However, a holder who actually or constructively owned both Medtronic, Inc. common stock and Covidien ordinary shares should consult his or her own tax advisors regarding the basis of the Medtronic plc shares he or she receives (and see questions 14, 15 and 18 above).

21. Does the capital gains tax (or, for persons also owning Covidien shares, potential dividend) treatment apply to shares held within an IRA, 401(k), etc.?

No. In general, gains on shares held within IRAs and other retirement accounts are deferred until money is taken out of the account.

Please contact your tax advisor about the application of these rules to you.

22. I am a U.S. holder who bought or sold shares of Medtronic Inc. or Covidien plc on January 26. How do I figure out the tax consequences of these trades?

For U.S. tax purposes, as described in question 2 above, U.S. holders of shares in Medtronic, Inc. and Covidien plc are generally treated as having exchanged their shares for shares of Medtronic plc (and in the case of Covidien shareholders, for shares of Medtronic plc and cash) before the market opened on January 26. Therefore, if you purchased or sold a share of Medtronic, Inc. during the day on January 26, you will generally be treated for U.S. tax purposes as if you had purchased or sold a share of Medtronic plc. If you purchased or sold shares of Covidien plc during the day on January 26, you will generally be treated for U.S. tax purposes as if you had purchased or sold the amount of Medtronic plc ordinary shares and cash consideration that the Covidien ordinary shares you purchased or sold were entitled to receive in the scheme of arrangement.



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

If you owned shares in both Medtronic, Inc. and Covidien plc at the closing, and purchased or sold shares in either company during the day on January 26, these post-closing purchases or sales may have had an impact on the tax treatment of your exchange of Medtronic, Inc. common stock or Covidien plc ordinary shares in the merger and the scheme. See the discussion in question 14 above.

Please contact your tax advisor about the application of these rules to you.

23. I received Medtronic plc shares in the transactions. How do I determine my holding period under U.S. tax rules?

For purposes of determining their holding period in New Medtronic shares under U.S. tax law, former shareholders of Medtronic, Inc. who received New Medtronic shares in the merger, and former shareholders of Covidien plc who received New Medtronic shares in the scheme of arrangement, will be treated as having acquired their New Medtronic shares on the Closing Date. For U.S. shareholders who later sell or exchange their New Medtronic shares, the capital gain or loss will be treated as long-term capital gains or losses if the shareholder has held its New Medtronic ordinary shares for more than one year as of the date of the sale or exchange. Please also see the discussion in question 29 regarding the potential eligibility for reduced capital gain tax rates on dividends.

24. Are capital gains and dividends subject to state tax?

Generally yes, unless the state tax law specifically exempts or excludes capital gains from state tax. Please contact your tax advisor about the application of these rules to you.

25. Am I subject to the Net Investment Income Tax?

Individuals receiving “net investment income,” which includes dividends and capital gains, among other items, are subject to a 3.8% Net Investment Income Tax on all or a portion of those income items if their modified adjusted gross income for a calendar year (including the net investment income items) exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. For information about the Net Investment Income Tax, please visit <http://www.irs.gov/Individuals/Net-Investment-Income-Tax>.

Please contact your tax advisor about the application of these rules to you.

26. Will there be U.S. backup withholding in connection with the transaction?

Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

Please note that under certain U.S. federal income tax rules, information reporting and backup withholding may apply to payments made to you, although backup withholding will not apply if you (1) furnish a correct taxpayer identification number (or Social Security Number) and complete and return to the exchange agent, your bank, or broker, an IRS Form W-9 or W-8BEN, as applicable, certifying that you are not subject to backup withholding (and otherwise comply with all applicable requirements of the backup withholding rules), or (2) otherwise establish an exemption.

If you held your shares through a bank or broker, we encourage you to contact the firm that held your shares on your behalf to determine if backup withholding applies to you. You are also encouraged to contact your tax advisor about the application of these rules to you.

Some shareholders of Covidien may have had amounts withheld from the consideration paid to them for their Covidien shares in the scheme of arrangement for U.S. backup withholding. The amount of backup withholding will generally be allowed as a credit against the shareholder's U.S. federal income tax liability, if any, and may entitle the shareholder to a refund, provided that certain required information is timely furnished to the IRS. If you are such a shareholder, please contact your tax advisor to discuss whether a refund is available to you, and how to claim a refund. You may also contact the IRS directly. Contact information is available at <http://www.irs.gov/uac/How-to-Contact-the-IRS-1>.

27. Am I subject to the Section 4985 excise tax on equity compensation?

No, unless you are or were a Medtronic, Inc. Section 16(b) officer or a member of the Medtronic, Inc. Board of Directors. Such persons may be subject to an additional excise tax on equity compensation that is separate and incremental to the capital gains tax that applies for all shareholders. No other shareholders are subject to this excise tax.

DIVIDENDS

28. Will Medtronic plc pay a dividend following the close of the transaction?

Medtronic, Inc. had increased its dividend for 37 consecutive years and had a commitment to return 50 percent of its free cash flow to shareholders through dividends and share repurchases. Medtronic plc intends to continue this level of return of free cash flow to shareholders following the consummation of the transaction, and paid a quarterly dividend on April 17, 2015.

29. Will the dividends received be qualified dividends and therefore subject to the reduced capital gain tax rates?

In general, yes, the dividends will continue to be qualified dividends as they have in the past. However, please note that the determination of whether a dividend is a qualified dividend requires that the shareholder meets a holding period requirement. That requirement is that the Medtronic plc shares on which the dividend is paid must be held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Medtronic plc will be a qualified foreign corporation on which qualified dividends can be paid if the holding period is met by the shareholder. There are other limitations that have historically existed to qualified dividends that continue to apply and you should consult your tax advisor related to such treatment.

30. Will there be an Irish withholding tax on dividends paid to Medtronic plc ordinary shareholders?

As described below, Irish withholding tax should generally not be applicable to U.S. residents or a resident of another “relevant territory” assuming that they meet the requirements for exemption (as described in Medtronic Holdings Limited’s S-4 filing with the SEC) including the filing of the relevant forms. Residence is determined under the law applicable in the country in which a shareholder claims to be resident.

Shares held by U.S. resident shareholders

Dividends paid on Medtronic plc ordinary shares that are owned by residents of the U.S. generally should not be subject to Irish withholding tax. For beneficial shareholders holding Medtronic plc ordinary shares through DTC, dividends will be paid without any Irish withholding tax if the address of the beneficial owner in the records of the broker holding such shares is in the U.S. For registered shareholders, dividends will be paid without any Irish withholding tax if the shareholder has provided to Medtronic plc’s transfer agent a completed valid Irish dividend withholding tax exemption form, and, if applicable, an IRS Form certifying the owner’s U.S. residency.

Shares held by residents of “relevant territories” other than the U.S.

A list of “relevant territories” is included as Annex H to Medtronic plc’s S-4 filing with the SEC, which is available on the Medtronic investor relations website under the Medtronic – Covidien Transaction menu selection or by clicking [here](#)

Dividends paid to shareholders who are residents of additional “relevant territories” (like U.S. holders as described above) generally will not be subject to Irish withholding. For beneficial shareholders holding Medtronic plc ordinary shares through DTC who are residents of “relevant territories” other than the U.S., dividends



will be paid without any Irish withholding tax if the shareholder has provided his or her brokerage firm with a valid Irish dividend withholding tax exemption form. For registered shareholders, dividends will be paid without any Irish withholding tax if the shareholder has provided, at least seven business days prior to the record date for such dividend, a valid Irish dividend withholding tax exemption form to Medtronic plc's transfer agent.

Shares held by residents of Ireland or of other countries that are not “relevant territories”

Medtronic plc shareholders who do not reside in relevant territories, including shareholders resident in Ireland, will be subject to Irish withholding tax (currently at the rate of 20%), but there are a number of other exemptions that could apply, all of which will require you to submit a valid Irish dividend withholding tax exemption form.

Please contact your tax advisor about the application of these rules to you.

31. Will there be an Irish income tax on dividends on Medtronic plc ordinary shares?

For the vast majority of shareholders there should not be any Irish income tax on dividends. Dividends paid on Medtronic plc ordinary shares owned by residents of the United States or other “relevant territories” (or by other shareholders that are otherwise exempt from Irish dividend withholding tax) should generally not be subject to Irish income tax unless the shareholder has some connection to Ireland other than holding Medtronic plc ordinary shares. Dividends paid on Medtronic plc ordinary shares owned by persons who are resident or ordinarily resident in Ireland or who hold their shares in connection with a trade or business carried on in Ireland through an Irish branch or agency may be subject to Irish income tax and other charges.

Please contact your tax advisor about the application of these rules to you.

32. Will the stock of Medtronic plc be considered a foreign financial asset for US tax purposes (including for purposes of Form 8938 – Statement of Specified Foreign Financial Assets)?

Medtronic plc will be a foreign corporation for U.S. tax purposes. Therefore certain shareholders of Medtronic plc (specifically those that own “specified foreign financial assets,” including the stock of Medtronic plc and other foreign financial assets, with an aggregate value in excess of \$50,000) are required to file Form 8938 with the IRS and report their ownership of Medtronic plc shares. Form 8938 should be filed with a shareholder's annual tax return, such as Form 1040.

Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

In order to determine if you will be required to file Form 8938 and for additional information on Form 8938, please see the IRS webpage dedicated to this form at <http://www.irs.gov/form8938>. Medtronic plc shareholders are urged to consult with their own tax advisors with respect to the requirements of Form 8938.

33. Will dividends paid on Medtronic plc ordinary shares be treated for U.S. income tax purposes as a return of capital or as a return of earnings (taxable dividend) to U.S. shareholders?

Like any corporation making dividend distributions to U.S. shareholders, dividend distributions from Medtronic plc, other than certain non-pro rata stock buybacks, will be treated as taxable dividends to the extent that Medtronic plc has current or accumulated “earnings & profits” as calculated for U.S. tax purposes. To the extent the amount of any distribution exceeds Medtronic plc’s current and accumulated earnings and profits in a taxable year, the distribution would first be treated as a tax-free return of capital (causing a basis reduction in the holder’s shares of Medtronic plc), and to the extent the distribution exceeds such tax basis, the excess will be taxed as capital gain.

While a portion of our dividend that was paid on April 17, 2015, was treated for U.S. tax purposes as a return of capital to U.S. shareholders, our expectation is that we will increasingly accumulate profits at the Medtronic plc level and move over time toward a dividend that is treated completely as a return of earnings (taxable dividend) to U.S. shareholders. If a dividend distribution has a portion that is treated as a return of capital, we will post IRS Form 8937 to our Investor Relations website for that dividend distribution within 45 days, which will indicate the percentage of the dividend distribution that is treated as a return of capital and the percentage that is treated as a return of earnings to U.S. shareholders.

34. When there is a return of capital distribution, how is the distribution treated for income tax purposes in the U.S. and Ireland?

As noted above, for U.S. income tax purposes, the return of capital portion of the distribution is non-taxable and will be treated as a reduction in the tax basis of the Medtronic plc shares of U.S. shareholders. Once the tax basis is exhausted, it is treated as a capital gain. Shareholders will need to track their Medtronic plc shares tax basis in their tax return work-paper files, if tax basis information is not maintained by their broker or the shares are not held in a brokerage account. If a dividend distribution is treated as a return of capital and causes a reduction to basis, Medtronic plc will be required to complete IRS Form 8937 for that dividend distribution and post it on the Investor Relations portion of our website within 45 days of the distribution payment date. This form will provide details on the expected changes in the tax basis of the shares. The final determination of the tax treatment



Medtronic Acquisition of Covidien Frequently Asked Questions for Shareholders

of annual dividend distributions (return of earnings vs. return of capital) is reported to individual U.S. shareholders on Form 1099-DIV.

For Irish income tax purposes, the tax treatment of a payment to shareholders by Medtronic plc depends on the method in which the payment is made. A stock buyback or redemption should not give rise to Irish income or capital gains tax for shareholders who are neither resident nor ordinary resident in Ireland and who do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or agency. Other types of payments made by Medtronic plc that are “distributions” for Irish tax purposes are taxed in a similar way to dividends, as outlined above. Shareholders who are resident or ordinarily resident in Ireland or hold their shares in connection with a trade carried on in Ireland through an Irish branch or agency should consult their tax advisor in relation to the Irish tax consequences of these transactions.

35. In the U.S., how is a distribution treated for state income tax purposes?

Generally states treat distributions, whether they qualify as dividends or returns of capital, the same as the federal income tax treatment described above, unless the state tax law specifically diverges. Shareholders should consult their tax advisors.

36. Where can I find more information regarding U.S. tax treatment of distributions?

See IRS Publication 550, Investment Income and Expenses:
<http://www.irs.gov/publications/p550/>

ADDITIONAL QUESTIONS

Additional details on this transaction can be found under the Medtronic-Covidien Transaction Information section on the Medtronic Investor Relations website at investorrelations.medtronic.com.

If you have a shareholder question related to Medtronic’s acquisition of Covidien that is not answered in this document, please e-mail it to investor.relations@medtronic.com

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic’s periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.