

# Corporate Governance Guidelines

The Board of Directors (the "Board") of Stryker Corporation (the "Company") has adopted these guidelines to assist the Board in the exercise of its responsibilities to serve the best interests of the Company and its shareholders. These guidelines are not intended to change or interpret any Federal or state law or regulation, including the Michigan Business Corporation Act, or the Restated Articles of Incorporation (the "Articles") or Bylaws of the Company. These guidelines are subject to refinement or change from time to time by the Board as it deems appropriate.

## 1. Board Composition and Operation

### *1.1 Role of Directors.*

The business and affairs of the Company shall be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities.

### *1.2 Board Size.*

The number of directors on the Board will be established from time to time by resolution adopted by a majority of the entire Board. The determination of the size of the Board will take into account the oversight and other duties of the Board and its committees.

### *1.3 Selection of Board Members.*

The Board nominates a slate of directors for election annually by the Company's shareholders based on the recommendation of the Governance and Nominating Committee and its determination of the suitability of each nominee and the slate as a whole. The Board also fills vacancies in existing or new director positions based on the recommendation of the Governance and Nominating Committee. The Governance and Nominating Committee will also consider candidates recommended by shareholders in accordance with the procedures established by such committee from time to time. The qualifications to be considered in the selection of nominees include those set forth in the charter of the Governance and Nominating Committee and have the objective of forming a Board that provides a variety of perspectives and skills based on business and professional experience.

### *1.4 Voting for Directors.*

In accordance with the Articles, in an uncontested election of directors (i.e., an election in which, as of the record date for the meeting, the number of nominees does not exceed the positions on the Board to be filled by election at the meeting), a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board shall nominate for re-election only candidates who have submitted an irrevocable contingent resignation in writing to the Chair of the Governance and Nominating Committee that becomes effective only if the director fails to receive a sufficient number of votes for re-election and the Board accepts the resignation. If a director fails to receive the required votes for re-election, the Governance and Nominating Committee shall promptly consider the resignation offer and make a recommendation to the Board on whether to accept or reject it.

The Board will act on the Governance and Nominating Committee's recommendation no later than 90 days after the certification of the election results. Following the Board's decision on the Governance and Nominating Committee's recommendation, the Company will promptly publicly disclose in a filing with the Securities and Exchange Commission the Board's decision whether to accept the resignation offer and, if applicable, the reasons for rejecting the tendered resignation. If the Board decides to accept the resignation of one or more directors, the Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

#### *1.5 Mix of Management and Independent Directors; Lead Independent Director/Non-Executive Chairman.*

At all times, at least two-thirds of the directors shall be independent outside directors. The independence of a director shall be determined by the definitions in the pertinent listing standards of the New York Stock Exchange. The independent outside directors shall designate a Lead Independent Director or Non-Executive Chairman who shall be responsible for coordinating the activities of the other independent directors and shall bear such other responsibilities as the independent directors as a whole may designate from time to time, including but not limited to (i) approving an appropriate schedule of Board meetings; (ii) reviewing agendas for Board and committee meetings; (iii) assessing the flow of information from the Company's management to the Board and requesting, when deemed appropriate, inclusion of additional material; (iv) directing the retention of consultants who report directly to the Board when deemed appropriate; (v) participating, along with the members of the Compensation Committee and the full Board, in the evaluation of the Chief Executive Officer and, together with the Chair of the Compensation Committee (or, if the Lead Independent Director or Non-Executive Chairman, as applicable, is also the Chair of the Compensation Committee, an independent director designated by the Compensation Committee), meeting with the Chief Executive Officer to discuss such evaluation; and (vi) consulting with the Governance and Nominating Committee concerning the members and chairs of all Board committees. The Board shall review the performance of the Lead Independent Director or Non-Executive Chairman, as applicable, each year and that person shall be replaced if the Board determines that he or she is not adequately performing the duties of such position. In no event shall the tenure of the Lead Independent Director or Non-Executive Chairman, as applicable, in such position exceed seven years.

#### *1.6 Term Limits; Retirement Policy.*

The Board recognizes that directors who have served on the Board for an extended period of time have developed increasing insight into the Company and its operations and, therefore, are able to make an increasing contribution to the functioning of the Board. Accordingly, the Board does not believe that it should limit the number of terms an individual may serve or establish a mandatory retirement policy.

#### *1.7 Board Compensation.*

It is the general policy that Board compensation should be a mix of cash and equity-based compensation. Management directors will not be paid for Board membership in addition to their regular employee compensation. The Compensation Committee shall periodically review and make recommendations to the Board with respect to the compensation of directors, but any changes will be made only after full discussion and unanimous approval of the Board.

#### *1.8 Orientation.*

Any new director who has not previously served on the board of directors of a New York Stock Exchange listed company will be encouraged to attend a director education program at the Company's expense. In addition, each new director shall meet with senior management to receive personal briefing on the Company's strategic plans, financial statements and key policies and practices. 3

#### *1.9 Continuing Directors' Education.*

Each director may attend an accredited director continuing education program each year at the Company's expense, and it is the intention of the Board that at least one current director (determined on a rotating basis) shall attend such a program each year.

#### *1.10 Management Succession.*

The Board believes that senior management succession is one of its most important responsibilities. The Board shall engage in an annual review of senior management succession with the Chief Executive Officer and Vice President, Chief Human Resources Officer (or person with a different title who performs the duties of such position) that includes an examination of potential interim and permanent candidates for the position of Chief Executive Officer and other senior management positions. In addition, the Board shall approve and maintain on a continuing basis a short-term succession plan that delineates a temporary delegation of authority to certain officers of the Company if all or a portion of the senior officers should unexpectedly become unable to perform their duties. Once approved, the short-term succession plan shall be in effect until the Board has the opportunity to consider the situation and take action when necessary.

#### *1.11 Evaluation.*

Annually, each director will be asked to provide an assessment of the effectiveness of the Board, of himself or herself as a member of the Board, and of each committee on which he or she serves. The individual assessments will be organized and summarized by a person designated by the Lead Independent Director or Non-Executive Chairman, as applicable, and the Chair of the Governance and Nominating Committee for discussion with the full Board and each committee.

#### *1.12 Other Public Company Directorships.*

The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit. However, the Governance and Nominating Committee shall consider the number of other public company boards, and other boards (or comparable governing bodies), on which a prospective nominee is a member. Although the Company does not impose a limit on outside directorships, it does recognize the substantial time commitments attendant to Board membership and expects that the members of its Board be fully committed to devoting all such time as is necessary to fulfill their Board responsibilities, both in terms of preparation for, and attendance and participation at, meetings. In addition, in recognition of the enhanced time commitments associated with membership on a public company's audit committee, no member of the Audit Committee may serve simultaneously on the audit committee of more than two other public companies.

#### *1.13 Directors Who Change Their Present Job Responsibility.*

The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. Promptly following such event, the director must notify the Governance and Nominating Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Governance and Nominating Committee's recommendation following such review.

#### *1.14 Director Attendance at Annual Meetings of Shareholders.*

Directors are expected to attend the Company's annual meeting of shareholders. A director who is unable to attend the Company's annual meeting of shareholders (which it is understood will occur on occasion) is expected to notify the Chairman of the Board.

#### *1.15 Board Interaction with Institutional Investors, Analysts, Press and Customers.*

The Board believes that management generally should speak for the Company. It is expected that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.

#### *1.16 Selection of the Chief Executive Officer.*

The Board shall be responsible for selecting the Company's Chief Executive Officer. The Governance and Nominating Committee shall be responsible for the process of identifying potential candidates for the Company's Chief Executive Officer and shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity and reputation in the business community.

#### *1.17 Annual Evaluation of Chief Executive Officer.*

The Compensation Committee shall prepare an annual written Chief Executive Officer Performance Review, to first be reviewed with the independent members of the Board. Following such review, the Chair of the Compensation Committee and the Lead Independent Director or Non-Executive Chairman, as applicable (or, if the Lead Independent Director or Non-Executive Chairman, as applicable, is also the Chair of the Compensation Committee, an independent director designated by the Compensation Committee), will discuss the review with the Chief Executive Officer.

## **2. Board Meetings**

#### *2.1 Frequency of Meetings and Attendance.*

The Board has regularly scheduled meetings at least quarterly. Special meetings may be called from time to time as necessary. The Board may also take action from time to time by unanimous written consent. It is understood that each director has a duty to attend, whenever possible, all meetings of the Board and of each committee of which he or she is a member. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the chair of the appropriate committee in advance of such meeting. Any director may attend a meeting of a committee of which he or she is not a member at the invitation of the chair of such committee.

#### *2.2 Agenda.*

The Chairman of the Board, after consultation with the Lead Independent Director and the Secretary of the Company, sets the agenda for each Board meeting and distributes such agenda to the Board in advance of the meeting. Board members may request that additional items be included on the agenda.

#### *2.3 Advance Distribution of Materials.*

As a general rule, Board materials related to agenda items shall be distributed to all members of the Board sufficiently in advance of a meeting in order to enable the members of the Board to review and reflect on key issues, request supplemental information as necessary and generally prepare for the discussion at the meeting. Sensitive materials may be reserved for distribution at the Board meeting. 5

#### *2.4 Board Presentations and Access to Employees.*

Members of management regularly attend Board meetings or portions thereof for the purpose of making presentations with respect to particular areas of operations and to participate in discussions. The Chairman of the Board designates the guest attendees at any meeting. In addition, Board members have full access to other members of management and employees at all times.

#### *2.5 Executive Sessions of Outside Directors.*

Non-management directors will meet on a regular basis in executive session with no management director or other current or former member of management present to discuss such topics as the non-management directors determine. At least once a year, an executive session of only the independent directors (as determined by the definition in the pertinent listing standards of the New York Stock Exchange) shall be held. The Lead Independent Director or Non-Executive Chairman, as applicable, will call and preside at such executive sessions.

### *2.6 Access to Independent Advisors.*

The Board has the authority to conduct investigations and to retain, at the Company's expense, independent legal, accounting, investment banking, or other professional advisors selected by the Board for any matters relating to the purpose or responsibilities of the Board.

## **3. Board Committees**

### *3.1 Number and Structure.*

The Board has three standing committees: Audit, Compensation, and Governance and Nominating. The Governance and Nominating Committee reviews the committee structure annually and recommends changes to the Board, if any are considered beneficial or prudent.

### *3.2 Assignment of Committee Members.*

The Governance and Nominating Committee, after consultation with the Chairman of the Board and the Lead Independent Director (or, if the Lead Independent Director is also the Chair of the Governance and Nominating Committee, an independent director designated by the Governance and Nominating Committee), recommends to the Board the members and chairs of each committee. The Board does not have a fixed policy mandating rotation of committee assignments based on the Board's belief that special knowledge or experience may support a director serving on a committee for an extended period of time.

### *3.3 Frequency of Committee Meetings and Committee Agenda.*

For regularly scheduled committee meetings, the Chairman of the Board, after consultation with the chair of each committee, the Lead Independent Director and the Secretary of the Company, will determine the frequency and length of such meetings and develop the agenda. Each committee shall otherwise meet as often as it deems necessary to fulfill its responsibilities. The agendas and meeting minutes of each committee will be shared with the full Board.

These guidelines were approved by the Board on December 5, 2017.

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in the evaluation of the Chief Executive Officer and, together with the Chair of the Compensation Committee (or, if the Lead Independent Director or Non-Executive Chairman, as applicable, is also the Chair of the Compensation Committee, an independent director designated by the Compensation Committee), meeting with the Chief Executive Officer to discuss such evaluation; and (vi) consulting with the Governance and Nominating Committee concerning the members and chairs of all Board committees. The Board shall review the performance of the Lead Independent Director or Non-Executive Chairman, as applicable, each year and that person shall be replaced if the Board determines that he or she is not adequately performing the duties of such position. In no event shall the tenure of the Lead Independent Director or Non-Executive Chairman, as applicable, in such position exceed seven years.

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