

Stryker Corporation

2008 Employee
Stock Purchase
Plan (ESPP)
Explanatory Guide

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This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

Overview

We are pleased to offer you the opportunity to join the Stryker Corporation 2008 Employee Stock Purchase Plan (“ESPP” or “Plan”). If you choose to participate in the ESPP, you will be able to invest in Stryker by purchasing shares of Company common stock at a 5% discount from the Fair Market Value through after-tax payroll deductions. Your deductions will be used to buy Stryker shares that will be held in your ESPP account maintained by Computershare Trust Company, N.A. (“Computershare”). As the ESPP administrator, Computershare will oversee the transactions for the

Plan and will assist you with all of your Plan needs. Computershare’s Employee Online website (www.computershare.com/syk) and self-service Interactive Voice Response (“IVR”) system provide you with the flexibility and convenience to manage your account.

Be sure to review this brochure carefully as it explains Plan participation and will guide you in accessing your account. In addition, the “Frequently Asked Questions” section later in this Explanatory Guide provides helpful answers to many of your questions about the ESPP.

Fair Market Value
The Fair Market Value (“FMV”) is the price of a share of Stryker Common Stock at the close of trading on a given date.

Why Stryker Provides Employees an ESPP Opportunity

The ESPP is intended to enhance your Total Rewards offering by providing an opportunity for long-term investment in Stryker stock and support the creation of an ownership mentality among employees. The ESPP helps align employee interests with our shareholders’ interests.

It is very important that you fully understand the ESPP’s provisions and requirements. You should carefully read the “Other Information – Legal Notices” section of this booklet before making your decision to participate in the ESPP.

Before Investing

Like all stock purchases, buying Stryker shares involves risk and there is no guarantee that the share price will not decline. Stryker makes no representations or warranties about the value or market performance of the Company’s shares over time. The decision to participate in the ESPP is solely your choice and

is dependent on your personal financial situation. Stryker stock is traded on the New York Stock Exchange under the symbol SYK.

The United States Securities and Exchange Commission (“SEC”) requires public companies like Stryker to file reports that disclose

financial and other information to the public. These reports provide timely and comprehensive information to help investors make investment decisions. You can find these filings in the Investor section of the Company’s website (www.stryker.com) or in the EDGAR section of the SEC’s website (www.sec.gov).

Plan Highlights

Enrollment Period

An Enrollment Period is the 1st – 15th day of each month, during which you will determine ESPP participation for the next month (i.e. the Purchase Period). During an Enrollment Period you may elect to participate in the ESPP and determine your ESPP contributions for the coming Purchase Period (i.e. the next month). For example, if you want to buy shares during the March Purchase Period, you must make the election to participate and specify the deduction amount any time from Feb. 1 – Feb. 15.

Purchase Period

A Purchase Period is the period of time during which Stryker accumulates the employee payroll contributions in the ESPP. The Purchase Period is monthly under the ESPP (e.g. Mar. 1 – Mar. 31).

Purchase Date/Price

The Purchase Date is the last trading day of a calendar month and the Purchase Price is 95% of the closing price on that date.

Eligibility Requirements

You are eligible to participate in the ESPP if you:

- are a full-time or part-time employee of Stryker or a participating subsidiary, and
- meet any other eligibility requirements required by the ESPP.

You are NOT eligible to participate in the ESPP if you are a temporary employee, an employee of a third-party staffing firm, an intern, a co-op, an agent, an independent contractor, or a consultant. Participation in the ESPP is not available at all Stryker divisions or at each location.

Enrollment

If you meet the eligibility requirements, you may enroll in the ESPP during an Enrollment Period. Enrollment Periods are the first 15 days in the month before the beginning of a Purchase Period.

You may increase, decrease or cancel your contribution only during an Enrollment Period.

Important Note! The amount you elect to have deducted **cannot be changed for any reason**, even financial hardship, until the next Enrollment Period. For example, between the close of the Enrollment Period for that month and the Purchase Date the following month, your elected deductions will be withheld from your pay during the Purchase Period.

The chart below shows examples of three monthly Enrollment Periods and the corresponding Purchase Periods. Unless you cancel your contribution, you will continue to be enrolled in future Purchase Periods.

Enrollment Period	Purchase Period
<i>If you enroll between...</i>	<i>Your participation will begin with this purchase period...</i>
January 1-15	February 1-28
February 1-15	March 1-31
March 1-15	April 1-30

Only the final election submitted to Computershare by 11:59 p.m. Eastern Time on the 15th of each month (the close of the Enrollment Period) is valid. Such election is irrevocable for the next month's Purchase Period and pay period(s).

You may enroll by accessing the Employee Online website at www.compuershare.com/syk and following the instructions.

You may also enroll by contacting Computershare's IVR system at 1-800-639-0119 (toll-free from the U.S., Puerto Rico, or Canada) or 1-732-491-0745 (from all other locations), and following the prompts.

Employee Contributions

The ESPP allows you to purchase Stryker stock through payroll deductions. You determine deductions by electing a percentage of your eligible compensation which is withheld after taxes and placed in a non-interest bearing ESPP account until shares are purchased. The only funds that you may contribute to the ESPP are through your payroll deductions.

Your eligible compensation generally includes the pay you receive in your regular paycheck (e.g. salary or wages). For eligible employees your contribution is:

- Stated as a percentage (“%”). For example, 2% of your gross regular wages; and
- Withheld per pay period and must range between a minimum of 1% and a maximum of 50% of your eligible compensation.

Purchase Limitation

You may purchase up to a maximum of \$25,000 U.S. dollars’ worth of shares in any calendar year. The purchase limitation is calculated based on the Fair Market Value at the beginning of each Purchase Period. In addition, the maximum number of shares that you may purchase in any Purchase Period is 10,000 shares of Common Stock.

Monthly Share Purchases

On the last trading day of each monthly Purchase Period, your accumulated payroll deductions are used to purchase shares of Stryker stock. Your entire contribution is used to purchase shares, including fractional shares.

For example, if you are paid twice per month, earn \$2,000 per pay period and contribute 3%* of monthly gross wages into the ESPP, you will accumulate \$120.00 (\$2,000 x 2 pay periods x 3%) in the ESPP during the Purchase Period. The \$120.00 would be used to buy shares at 95% of the closing stock price on the last trading day of the Purchase Period.

Example: An employee earns \$2,000 per pay period, is contributing 3% of gross wages to the ESPP, and is paid twice a month.*

Compensation and Contribution	Deduction Amount Per Pay Period	Total Monthly ESPP Contribution
\$2,000 x 3%	\$60.00	\$120.00
\$2,000 x 3%	\$60.00	

*ESPP contributions from participants employed outside the U.S. and Puerto Rico are deducted in local currency and converted to U.S. dollars (contact local Human Resources department regarding currency exchange rate) before purchasing shares of Stryker stock in U.S. dollars.

Computershare will hold the shares purchased under the ESPP in your account.

Your purchased shares will be added to your account as soon as administratively possible.

Purchase Price
The Purchase Price is 95% of the closing stock price on the last trading day of a Purchase Period.

Purchase Price

The Purchase Price, expressed in U.S. dollars, will equal 95% of the closing price of Stryker stock on the last trading day of the Purchase Period. For example, if Stryker stock closed at \$105.00 on the last trading day of a Purchase Period, then the Purchase Price for the ESPP that month would be \$99.75 ($\$105.00 \times 95\%$).

Example: Stryker stock closes at \$105.00 U.S. dollars on the last trading day of the Purchase Period. The Purchase Price is 95% of the closing price on the last trading day of the Purchase Period.

Closing price on the last day of Purchase Period	5% Discount from Fair Market Value	Purchase Price
\$105.00	95%	\$99.75 ($\$105.00 \times 95\% = \99.75)

You are restricted from transferring shares purchased under the ESPP **for 24 months** after the Purchase Date regardless of whether you leave Stryker during that time period.

- For example, unsold ESPP shares bought in the Purchase Period ending March 31 must be kept in your Computershare account until April 1 that is two years after the Purchase Date.

Voting Rights

Once shares of Stryker stock are purchased for your account under the ESPP, you are entitled to voting rights. Each Stryker share you hold entitles you to one vote.

Dividends

Shares purchased under the ESPP have rights to any declared and payable dividends and participants may elect either cash or reinvestment of dividends. Dividends on ESPP shares are automatically reinvested in Stryker stock unless you elect otherwise (see Computershare's Employee Online website for details).

Buying Shares

When Your Participation Begins

If you meet the eligibility requirements, you may enroll in the ESPP during any Enrollment Period (the 1st through the 15th of each month).

If you do not enroll during one Enrollment Period, you will not be able to enroll until the next Purchase Period's Enrollment Period at the start of the following month.

Example: Timeline Showing Four Out of Twelve Months

Enrollment Period	Purchase Period	Payroll Deductions	Purchase Date*
January 1-15	February	February 1-28	February 28
February 1-15	March	March 1-31	March 31
March 1-15	April	April 1-30	April 30
April 1-15	May	May 1-31	May 31

*If the U.S. stock market is closed on the last day of the month then the last trading day will be used.

Newly hired employees will not be able to enroll until the next Enrollment Period after Computershare receives certain employment data from Stryker, usually at the time of their first paycheck.

When Your Participation Ends

You may voluntarily stop your contributions or terminate participation in the Plan for future Purchase Periods, but unless you do so, you automatically remain enrolled in the ESPP for subsequent Purchase Periods at your existing contribution rate.

If you cease to be an eligible employee for any reason (e.g. termination of employment, voluntary or involuntary resignation, retirement, lay-off, disability or death), your contributions to the ESPP will end at the conclusion of the Purchase Period(s) for which you are enrolled.

If you have Stryker stock in your ESPP account when your employment ends, you can do any one of the following with your shares:

- Sell the shares;
- Transfer the shares to a brokerage account (if you have met the 24-month transfer restriction); or
- Request that the shares be held in a Direct Registration System account at the Company's transfer agent.

If you are no longer an employee, shares may not be held in the ESPP after the account transfer restriction has expired. You will receive information from Computershare detailing your choices for moving your shares out of the Plan.

Purchase Period
A Purchase Period is the period of time during which Stryker accumulates the employee payroll contributions in the ESPP. The Purchase Period is monthly under the ESPP (e.g. March 1–31).

Direct Registration System (“DRS”) book entry is a form of electronic registration that enables Stryker ESPP shareholders to be directly registered on the books of Stryker’s transfer agent, with no need for physical stock certificates.

Purchase Price

The Purchase Price is 95% of the closing stock price on the last trading day of a Purchase Period. The shares you purchase will be deposited into your ESPP account.

Example: Four Purchase Periods (prices shown are for illustrative purposes only)

Purchase Dates	January 31	February 28	March 31	April 30
Closing price on the Purchase Date	\$100.00	\$108.00	\$105.00	\$110.00
Purchase Price (95% of closing price)	\$95.00	\$102.60	\$99.75	\$104.50

Selling Shares

If you sell the shares, the stock price may differ from the price you paid for the stock on the Purchase Date. In addition, you will incur fees in selling shares acquired under the ESPP. Selling shares may result in you incurring a gain or loss on the shares acquired under the Plan. The process to be followed if you decide to sell your shares is summarized below.

How to Sell Your Shares

- Access the online Employee Online website at www.computershare.com/syk and follow the instructions, or
- Contact Computershare's IVR system at 1-800-639-0119 (toll-free from the U.S., Puerto Rico, or Canada) or 1-732-491-0745 (outside of the U.S.), and follow the recorded prompts.

How Your Shares Are Sold

Sale transactions are executed in a real-time environment. You may choose one of the following three types of orders when placing a sale transaction:

Market Order - This order is processed at the next available sale price as soon as market conditions allow.

Limit Order Day - This order allows you to specify a minimum price per share at which you want your sale to be processed. During the trading day, if the stock price equals or exceeds the minimum price you specified, your order will be executed during the next available trade as market conditions allow. If it does not reach or exceed the price you indicate, your order will be canceled.

Limit Order 30 Day - This order also allows you to indicate a minimum price at which you want your sale transaction to be placed. Your order instructions will be effective for a maximum of 30 days and will be executed during that period when the stock price equals or exceeds the minimum price you specified as market conditions allow. If the stock price does not meet or exceed the specified price within the 30-day period, your order will be canceled.

You can select specific shares when selling (e.g. all shares purchased in one Purchase Period). To aid in your decision, you may determine the cost at which your shares were purchased and the length of time the shares have been held. **You will be responsible for all fees associated with sale orders.** (see Fee Chart on page 10)

How You Receive Your Sale Proceeds

You may choose to receive your proceeds by check mailed directly to you or as a wire transfer to your bank account (fees apply – see Fee Chart on page 10).

All checks will be mailed to the address on file for you at Computershare. To request a wire transfer, you should go online and enter the appropriate wire details.

If you decide to sell ESPP shares, keep in mind that:

- **You will incur fees at the time of sale;**
- **Taxation may apply on the purchase discount and any gains on sale; and**
- **A gain or loss may result depending on your selling price and the applicable fees.**

If you are not selling all of the ESPP shares in your account, your shares will be sold on a first in, first out basis (your oldest shares will be sold first) unless you request specific share lots.

Transferring Shares

To transfer shares out of your Computershare account after the 24-month transfer restriction period, contact a Computershare Plan Representative or go online. You will be responsible for any transfer fees.

If you want a stock certificate, please contact a Computershare Plan Representative who will review the process with you and advise you of the associated fees.

Commissions and Fees

You are responsible for all the commissions and fees related to any sale or transfer of Stryker stock from your account at Computershare. The fees are listed in U.S. dollars and are subject to change; additional fees may apply (e.g. producing duplicate account statements).

	Fees Charged for Sales of Stock	Fees Charged for Transfers of Stock
Sales Transaction Fee	For online and automated telephone sales: \$0.03 per share, \$24.95 minimum or For Plan Representative-assisted sales: \$0.07 per share up to 1,000 shares \$0.05 per share up 1,001 to 5,000 shares \$0.03 per share over 5,000 shares, \$39.95 minimum	Transfer to Broker: \$30.00 or Direct Registration System Issuance: \$50.00
SEC Fee	Applied to all sales per SEC defined rate	
Check Handling Fee	\$ 5.35	
If applicable: Wire Transfer Fee	\$25.00	
If applicable: International Check Fee	\$10.00	

Account Statements

Each quarter a summary statement is available that details the activity in your account, including any purchases and sales, the total number of shares held at the end of the quarter and the total value of your account. The fourth quarter statement will include a summary of any transactions that occurred during the year.

You may access the Computershare Employee Online website at www.computershare.com/syk to view your current and historical account information. After logging on, select the tab called History.

You will need the quarterly statements along with other tax documents provided by either Stryker or Computershare to calculate your gain or loss in the event you sell your shares.

Managing Your Account

You can access your account balance, specific Plan information and current stock price or initiate sale orders through Computershare's Employee Online website or the IVR system 24 hours a day, seven days a week.

When accessing your account online or over the telephone, you will need your User ID and your Personal Identification Number ("PIN"). A PIN will be provided under a separate mailing from Computershare and the default PIN for first-time access is available through your Human Resources department. The first time you access your account, you are required to select a new PIN. You may change your PIN at any time.

Online Access

Step 1: Connect to the Internet and go to www.computershare.com/syk.

Step 2: Choose and enter your method of login. If you are a U.S. participant, enter your Social Security number; if you are a non-U.S. participant enter your assigned ESPP account number. Enter your PIN number and click "Login".

IVR System Access

Step 1: Call Computershare's IVR toll-free from inside the U.S., Puerto Rico or Canada at 1-800-639-0119. Call 1-732-491-0745 from all other locations.

Step 2: Enter your User ID followed by the "#" key.

Step 3: Enter your PIN followed by the "#" key. If you are entering the IVR for the first time, you will

be prompted to change your PIN.

If you need assistance, you may press "0" at any time to speak to a Computershare Plan Representative. Representatives are available Monday through Friday 8:00 a.m. to 7:00 p.m. Eastern Time on any day the New York Stock Exchange is open.

First Time Logon Access Terms and Conditions

The first time you enter your login information you will be prompted to read and agree to Computershare's Terms and Conditions. Read the website's terms and select "Yes" to show acceptance. Then select "Next" to continue.

PIN Change

For security purposes, upon accepting the Terms and Conditions, you will be asked to change your PIN. You will be prompted to enter your new five-digit PIN twice – once to change the PIN and the second time to confirm the update. Click "Next" to continue.

Security Questions

Once your PIN has been updated, you will be asked to select and answer three security questions. If you have lost or forgotten your PIN, you may change it any time online by correctly answering your three security questions. The answers to these questions will be used to validate your identity as a registered user of this site. To set up your security questions, you will need to select three unique

questions from the drop-down menu, provide the answers and then click "Next".

Contact Details

Confirm your email address and select "Next" to continue.

Confirmation Page

This page displays all of your answers to the questions listed in the previous sections. Review your answers and then click "Submit".

First Time Enrolling Enrollment Process

From the Employee Portfolio page, select the link called "Enroll" to begin the enrollment process. Review the Terms and Conditions, place a check in the box and click "Next". Select and enter a percentage you would like deducted and click "Next".

Review your election. If correct, select "Submit". You will receive an enrollment confirmation page. **Please print and save a copy of your online confirmation statement. You will not receive a written acknowledgement notice.**

Tax Certification

To avoid backup withholding when selling your ESPP shares or receiving dividends, it is very important that when enrolling in the ESPP you complete a W-9 or a W-8BEN Internal Revenue Service ("IRS") form certifying your tax identification number, depending on your legal residence as explained below.

What is backup withholding tax?

Backup withholding tax is a type of tax that is levied on certain payments, including but not limited to interest and dividends, at an established tax rate expressed as a percentage. Backup withholding is only applied to payments under certain conditions.

To certify your account, go to www.computershare.com/syk and follow the online prompts.

What is a Form W-9?

A person or company who is required to file an information return with the IRS must obtain your correct taxpayer identification number ("TIN") to report, for example, income paid to you. The Form W-9 is used by a company to request your TIN and for you to certify that the TIN being reported is correct and accurate and that you are not subject to backup withholding. Employees residing in the U.S. are required to complete Form W-9.

What is a Form W-8BEN? (Only applicable to non-U.S. participants)

Form W-8BEN is required for employees residing outside of the U.S. that wish to claim eligibility for reduced rates of tax or tax exemptions based upon a tax treaty between your country and the U.S.

The form establishes that you are not a U.S. citizen or an owner or foreign partner receiving a beneficial share in the income for which Form W-8BEN is being provided.

Please consult with your tax advisor for additional information on backup withholding and tax forms you may be required to file in relation to your ESPP account.

Other Information

Incorporation of Certain Documents by Reference

The following documents, descriptions, amendments and reports (not including exhibits) filed with the SEC by Stryker are incorporated herein by reference and are available to you, without charge, upon written or oral request:

- Stryker's most recent Annual Report on Form 10-K;
- All other reports filed by Stryker pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of the fiscal year

covered by the Form 10-K;

- The description of the Stryker Common Stock contained in the Registration Statement on Form 8-A filed with the Commission under the Exchange Act on July 1, 1997 and in any amendment or report filed by Stryker for the purposes of updating such description; and
- All documents subsequently filed with the Commission by Stryker pursuant to Sections 13(a), 13(b), 14 and 15(d) of the Exchange Act.

Stryker's most recent Annual Report to shareholders and the

documents incorporated by reference above may be accessed from the "Investor" page on the Company's website at www.stryker.com. You may also request a copy of any of such documents by contacting the Secretary of the Company at 2825 Airview Boulevard, Kalamazoo, Michigan 49002, telephone: 1-269-385-2600.

Legal Notices

This Explanatory Guide is not an offer or contract of continued employment with Stryker or any of its affiliated companies. Stryker makes no recommendation to its employees with respect to the purchase of its stock and

participation in this ESPP. In seeking share ownership, you must also accept the risks involved with investing in the equity market. There is no guarantee against loss because of stock price fluctuations. Stryker reserves the right to amend, change, modify, or terminate the ESPP at any time and for any reason.

This Explanatory Guide is intended to provide you with an overview of the ESPP. A copy of the ESPP, any related non-U.S. prospectus and additional information concerning the Plan and its administration may be obtained upon request to the Secretary of the Company at 2825 Airview Boulevard, Kalamazoo, Michigan 49002, telephone: 1-269-385-2600.

Every effort has been made to assure the accuracy of the information contained in this Explanatory Guide. In the event of a conflict or a difference between this Explanatory Guide and the Plan, the Plan is the governing document for the ESPP.

The ESPP is not qualified under Section 401(a) of the U.S. Internal Revenue Code of 1986, as amended, and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended. The ESPP is intended to qualify for the tax treatment provided under Section 423 of the U.S. Internal Revenue Code.

By participating in the ESPP you acknowledge and agree to the following:

- You have voluntarily decided to participate in the ESPP.
- You may not transfer shares acquired under the Plan from your Computershare account for 24 months after Purchase

Date unless the shares are sold.

- Your decision to contribute a portion of your compensation into the ESPP will remain in place for subsequent months until you change your election in a subsequent Enrollment Period or you reach the \$25,000 U.S. dollars annual purchase limit for the Plan.
- Your election for each Purchase Period is irrevocable once the Enrollment Period for that Purchase Period has closed. Shares will be purchased on the Purchase Date and allocated according to the ESPP's terms and deposited into your account as soon as administratively possible.
- You will not be eligible for further participation in the ESPP after the end of your employment with Stryker, as determined by the Plan.
- Stock ownership is inherently risky. You may lose money by investing in Stryker stock. There will be fluctuations in Stryker's stock price and past stock price performance may not be reflective of future results. There is no guarantee of gain or protection against loss. You should carefully consider your financial circumstances and goals before participating in the ESPP. You are encouraged to consider investment diversification when determining the amount of stock to purchase in relation to your overall portfolio, risk tolerance and personal financial needs.
- No person has been authorized to give any information or make any representation in connection with the ESPP other than the information contained in the Plan and this

Explanatory Guide.

- The information contained in this Explanatory Guide or any other document provided in connection with the ESPP is not intended to be legal, investment or professional tax advice. Your unique circumstances, financial, tax and otherwise, are important factors in determining the consequences of an investment in Stryker stock. **You should consult your own financial advisor, attorney, tax counsel, accountant, or investment advisor.**
- Your election to participate in the ESPP, any changes in monthly payroll contribution amounts into the Plan and any sale of Stryker stock must comply with Stryker's policy on Trading in Securities by Company Personnel.
- The Company offers the ESPP at its sole discretion and you as an employee acquire no rights from this offer of participation in the Plan. Any benefit provided under the ESPP does not constitute part of your employment compensation and will not be included in the calculation of any termination payment and/or pension payment.

By making the voluntary election to participate in the ESPP, you acknowledge and agree that:

- You authorize deductions from your paycheck each pay period for transmittal to Computershare. Computershare will use the deducted funds to purchase shares of Stryker stock and will allocate full and fractional shares to your account under the ESPP. This deduction authorization shall become effective as soon as

administratively possible.

- You may modify or terminate your voluntary election for future contributions only during an Enrollment Period prior to each monthly Purchase Period as outlined in the Plan.
- You authorize your employer to provide Stryker Corporation and Computershare with the required personal information to administer your account and make share purchases.
- You authorize Computershare, Stryker or any subsidiary to deduct applicable taxes from your compensation or to make any other arrangements to satisfy tax withholding obligations.
- For non-U.S. participants, you understand that the payroll deduction will be converted to U.S. dollars (contact local Human Resources department regarding currency exchange rate) and that the shares will be purchased using this U.S. dollar value.

Additional ESPP Information

Shares purchased under the ESPP will be newly issued and no fees or commissions are payable upon purchase.

The ESPP is administered by the Compensation Committee of Stryker's Board of Directors (the "Committee"). The Committee has full and exclusive power to interpret the ESPP. The ESPP authorizes 5,000,000 shares of Stryker Common Stock to be issued under the Plan, however, the amount of shares may be adjusted in the future to reflect stock dividends, splits and other changes in Stryker's capitalization.

Stryker employees (and persons with whom they have a family or business relationship) may not purchase or sell Stryker stock on the open market or modify ESPP contribution elections when they are aware of material, non-public information concerning the Company and may not disclose such information to others until it has been made public.

Information is material if a reasonable investor would consider it important in making a decision to buy or sell securities. Both positive and negative information can be material. Examples of information generally regarded as material are significant new contracts or the termination of existing contracts, potential acquisitions, mergers, changes in estimates of earnings, increases or decreases in dividend payments, the introduction of important new product lines, significant technological breakthroughs, commencement or settlement of major litigation, and changes in key management personnel. You are advised not to trade in securities while in possession of non-public information that could be viewed as being material and not to communicate such information to others who might trade. You should not try to outguess regulators and others as to the issue of materiality since they will be viewing your transactions with the benefit of hindsight. As a simple rule-of-thumb, you should treat all corporate information with discretion, discuss confidential information only with those who have a right and need to know, and refrain from trading in securities until any inside information you possess is made public.

Also, certain senior management personnel are subject to Stryker's

Insider Trading Policy. Those individuals subject to this policy have been notified of this in writing by the Company's Vice President and Secretary and have received a copy of this policy. Any questions regarding the Insider Trading Policy should be directed to the Vice President and Secretary, at 1-269-385-2600 or the Stock Plan Administration department.

In addition, there are restrictions on the sale of Stryker stock purchased under the ESPP for employees who are directors or officers of Stryker who are subject to Section 16 of the Securities Exchange Act of 1934. Resales of Stryker stock by such persons may be made only in compliance with Rule 144 or pursuant to a separate registration statement or other applicable exemption under the Securities Act of 1933.

Duration and Termination

The ESPP will remain in effect until May 1, 2027, unless terminated by Stryker's Board of Directors. The Board has the authority to terminate the ESPP at any time without prior notice to participants. Upon termination of the ESPP, any payroll deduction that has not yet been used to purchase Stryker stock will be refunded without interest.

Amendment

Stryker's Board of Directors may, at any time, amend the ESPP; however, certain amendments will require the approval of the Company's shareholders. In addition, the ESPP may not be amended without the consent of the participants if such amendment would materially impair participants' rights regarding shares previously purchased under the ESPP.

Frequently Asked Questions



What is the purpose of the Employee Stock Purchase Plan (ESPP)?

The purpose of the ESPP is to allow Stryker employees to acquire an ownership interest in Stryker through the purchase of common stock. Stock ownership aligns employees' interests with the shareholders and enhances the ability of Stryker to attract, motivate, and retain qualified employees.

Who is eligible to participate in the ESPP?

Full and part-time employees of Stryker and its subsidiaries are eligible to participate in the ESPP. Individuals who are temporary employees, employed by third-party staffing firms, interns, co-ops, agents, independent contractors, or consultants are not eligible to participate. Participation in the ESPP may not be provided to employees of each Stryker division or at each location. Contact your local Human Resources department if you have questions regarding your eligibility.

Should I participate in the ESPP?

That decision is completely up to you. Stock ownership is inherently risky and may not be a wise investment for you unless you have other resources to provide for your financial needs. Accordingly, you should consider carefully the information in this Explanatory Guide as well as your personal financial circumstances and goals before investing in the ESPP.

Who administers the ESPP?

The ESPP is administered by the Compensation Committee

of Stryker's Board of Directors. Computershare will oversee the transactions related to the ESPP.

What are an Enrollment Period and Purchase Period?

An Enrollment Period is the 1st through 15th day of each month, during which you may elect to participate in the ESPP and determine your ESPP contributions for the Purchase Period (i.e. the next month). For example, if you want to buy Stryker stock during the March Purchase Period, you must make an election to participate and specify the deduction amount any time between February 1 and February 15.

Only the final election submitted to Computershare by 11:59 p.m. Eastern Time on the 15th of each month (the close of the Enrollment Period) is valid. Such election is irrevocable for the next month's Purchase Period and pay period(s).

A Purchase Period is the period during which Stryker deducts the employee payroll contributions in the ESPP. The Purchase Period is monthly under the ESPP (e.g. January 1 through January 31). You may voluntarily stop your contributions or terminate participation in the Plan for future Purchase Periods, but unless you do so, you automatically remain enrolled in the ESPP for subsequent Purchase Periods at your existing contribution rate.

What are the Purchase Price and Purchase Date under the ESPP?

The Purchase Price under the ESPP program is 95% of the closing price

of Stryker stock on the Purchase Date. The Purchase Date is the last trading day of a calendar month. Example: The closing stock price on the last trading day of a Purchase Period is \$105.00. The Purchase Price of the ESPP stock is \$99.75 ($\$105.00 \times 95\%$).

How much can I contribute to the ESPP?

You can contribute up to \$25,000 (based on the Fair Market Value of the stock at the beginning of the Purchase Period) toward the purchase of Stryker stock in any calendar year. Any payroll contributions that exceed \$25,000 will be refunded to you.

You may not purchase more than \$25,000 (based on the Fair Market Value of the stock at the beginning of the Purchase Period) in shares in a calendar year. In addition, you may not contribute more than 50% of your eligible compensation. The maximum number of shares you may purchase in any Purchase Period is 10,000 shares of Common Stock.

How often may I change my ESPP deduction?

You can change the contribution amount monthly during the Enrollment Period (from the 1st through the 15th day of each month) and it will be effective for the next month's Purchase Period. Changes can be made at any time during the Enrollment Period, however, only the final election is valid and will be effective for the following month's Purchase Period.

What happens to my shares if I terminate employment or become ineligible to participate?

If you terminate employment you will no longer be able to participate in the ESPP. Your last purchase will occur based on when your final contribution takes place. Your Computershare account will be maintained until either a) you sell all of your shares, or b) two years elapse from the last date of purchase. Two years following your last purchase, you will be contacted to transfer your shares out of your account. If you still have shares in the account after being notified, the shares will be transferred to a Direct Registration System account through Stryker's transfer agent, American Stock Transfer & Trust

Company, LLC, at your expense.

How long must my shares stay in the Computershare account?

Your unsold shares must stay in the Computershare account for at least two years.

What is the effect of a stock split or stock dividend?

Proportional changes in the number of shares subject to the ESPP, calculation of the Purchase Price(s), purchase amounts during a Purchase Period or balances to all Plan accounts will be made in the event of a stock dividend or stock split or certain other increases or decreases of or changes to outstanding shares.

Do I have dividend and voting rights?

As a shareholder of Stryker, you will have the right to vote your shares and receive shareholder reports. You will receive dividends paid by Stryker on the shares you hold in your ESPP account. Dividends paid on your ESPP shares while held by Computershare will automatically be reinvested in additional shares of Stryker common stock.

How do I obtain income tax advice related to the ESPP?

Stryker and Computershare cannot provide specific tax advice. Stryker encourages you to seek advice from your tax or financial advisor.

Computershare-Related Questions

How do I enroll in the ESPP? Online? By Phone?

Refer to section "First Time Logon Access" on page 11 in this Explanatory Guide for guidance on enrolling in the Plan.

What is available to me through my Computershare account?

You can access your account balance, specific Plan information, current stock price and stock plan educational information through the Participation Education site or initiate sale transactions through your account 24 hours a day, seven days a week.

How do I sell my shares of stock acquired through the ESPP?

You can sell your stock by accessing your ESPP account in one of three ways:

1. **Computershare website** – Logon, choose the "Transact" tab on top, then select "Sell" and follow the steps to complete your sales request.
2. **Interactive Voice Response ("IVR") system** – Contact the Call Center and enter account access and sales request using the IVR. Within the U.S., Puerto Rico, or Canada dial 1-800-639-0119 and from all other locations, dial 1-732-491-0745.
3. **Plan Representative** – You may speak directly to a Plan

Representative between the hours of 8:00 a.m. and 7:00 p.m. Eastern Time by calling one of the above phone numbers.

What fees are associated with selling or transferring the shares?

Please see "Commissions and Fees" on page 10 in this Guide.

How do I reach a Plan Representative?

To contact a Plan Representative, dial 1-800-639-0119 (toll-free from the U.S., Puerto Rico, or Canada) or 1-732-491-0745 (from all other locations) and press "0" any Monday through Friday, 8:00 a.m. to 7:00 p.m. Eastern Time, on any day the New York Stock Exchange is open.

Tax Consequences

Tax issues vary based on the amount of time you have owned the stock as well as your individual tax situation and jurisdiction.

To help you understand your tax liability under the ESPP, please consult with a tax advisor to determine the tax consequences for your participation in the ESPP and for questions regarding your individual situation.

Computershare and Stryker cannot make recommendations regarding your specific tax consequences. We recommend you contact a tax advisor to determine the tax consequences of your participation in the ESPP.

You may be responsible for certain taxes and should make adequate provisions for all applicable federal, state, provincial, or other withholding taxes in connection with the purchase or disposition of Stryker shares.

U.S. Federal Tax Consequences

Under the ESPP, you will incur federal income taxes for gains and losses when you dispose of (sell, gift or transfer to another person for any reason) the shares you hold in the Plan. The summary below outlines the U.S. federal tax laws related to sales (not gifts or transfers) in effect at the date this Explanatory Guide was published. This summary is necessarily general in nature, does not address individual income tax consequences for non-U.S. participants, or employment taxes, estate or gift taxes, state

or local tax consequences, and is not complete. The tax treatment associated with ESPP participation may vary depending upon individual circumstances. You are urged to consult your personal tax advisor for tax planning relating to ESPP participation and you should not rely exclusively on the information provided herein.

The ESPP is intended to qualify for the tax treatment provided under Section 423 of the U.S. Internal Revenue Code.

In general, you will be taxed on all or a portion of the 5% Purchase Price discount, and any capital gain or loss is determined, depending on the difference between the value of the stock at the time of sale and at the time of purchase.

Paying Taxes When You Buy Shares

In a discounted ESPP, for purposes of U.S. federal income tax, you do not have to report income or pay tax at the time of purchase. You will have a tax obligation on dividends paid to you, and when you sell or otherwise dispose of your shares, or upon your death if you still own ESPP shares.

Paying Taxes When You Sell Shares

The amount of ordinary income you report when you sell your shares depends on whether your disposition is a Qualifying Disposition or a Disqualifying Disposition.

In general, a Qualifying Disposition is any disposition (sale or gift)

that occurs more than two years after the beginning of the applicable Purchase Period. Any disposition (sale or gift) before two years after the beginning of the Purchase Period is a Disqualifying Disposition.

If you sell or dispose of the stock within two years after the first day of the Purchase Period in which you made contributions to purchase the shares (i.e. a Disqualifying Disposition), you will recognize ordinary income for the 5% discount on the share price, and your cost basis in the shares will be increased by that amount. You will recognize capital gain (or loss) on the sale or disposition of those shares to the extent the selling price of the shares upon sale or disposition exceeds (or is less than) the amount you paid for the shares plus the 5% discount.

If you sell or dispose of the shares more than two years after the beginning of the Purchase Period in which you made contributions to purchase the shares (i.e. a Qualifying Disposition), you will recognize ordinary income equal to the lesser of (i) the amount by which the Fair Market Value of the shares upon sale or disposition date exceeds the amount you paid for those shares or (ii) 5% of the Fair Market Value of the shares at the beginning of the Purchase Period. Your tax basis in the shares will increase by the amount recognized as ordinary income and any additional gain upon the sale or disposition will be taxed as long-term capital gain.

If you still own shares acquired under the ESPP at the time of your death, your estate will recognize ordinary income in the year of your death equal to the lesser of (i) the amount by which the Fair Market Value of the shares on the date of your death exceeds the amount you paid for those shares or (ii) 5% of the Fair Market Value of the shares at the beginning of the Purchase Period in which you made contributions to purchase the shares.

You can expect to receive a Form 3922 from Computershare if during the prior tax year you purchased shares in the ESPP.

In the event of the death of an ESPP participant who owns shares at the time of death, this event will be considered a Qualifying Disposition of the shares regardless of how long the shares have been held.

Disqualifying Disposition
A Disqualifying Disposition is when the stock that was purchased under the ESPP is not held at least two years from the beginning of the Purchase Period.

Disqualifying Disposition Example:

The ESPP has a monthly Purchase Period. You buy shares at the end of the Purchase Period and three months later you sell them. This is a Disqualifying Disposition because you did not hold the shares for more than two years after the beginning of the Purchase Period in which you bought shares.

For this example, assume that the closing price for the stock on the first day of the Purchase Period was \$105.00, the closing price of the stock on the Purchase Date was \$110.00. You received a 5% discount on the closing price and paid only \$104.50. In the meantime, the share price has gone up, and you sell your shares for \$115.00.

The chart below illustrates this example. All numbers are in U.S. dollars.

Price at the beginning of the Purchase Period	\$105.00
Price at Purchase Date	\$110.00
Purchase Price (95% of closing price)	\$104.50
Sale price (13 months after Purchase Date)	\$115.00
Ordinary income	\$ 5.50
Tax basis	\$110.00
Short-term capital gain	\$ 5.00

You recognize ordinary income of \$5.50 per share (5% discount of \$110.00)

Your tax basis is \$110.00 (\$5.50 ordinary income on purchase price discount plus your purchase price of \$104.50)

Your short-term capital gain at sale is \$5.00 (\$115.00 sale price minus \$110.00 tax basis)

To avoid a Disqualifying Disposition, you would have to hold the shares at least 24 months following the beginning of the Purchase Period in which you bought the shares.

Qualifying Disposition Example:

For this example, assume you decide to sell your stock 25 months after the beginning of the Purchase Period in which you bought the shares. The closing price for the stock on the first day of the Purchase Period was \$105.00, and on the Purchase Date was \$110.00. You received a 5% discount on the closing price and paid only \$104.50. In the meantime, the share price has gone up, and you sell your shares for \$115.00.

Qualifying Disposition
A Qualifying Disposition is when the stock that was purchased under the ESPP is held for more than two years from the beginning of the Purchase Period.

The chart below illustrates this example. All numbers are in U.S. dollars.

Price at the beginning of the Purchase Period	\$105.00
Price at Purchase Date	\$110.00
Purchase Price (95% of closing price)	\$104.50
Sale price (>24 months after Purchase Date)	\$115.00
Ordinary income	\$ 5.25
Tax basis	\$109.75
Long-term capital gain	\$ 5.25

You recognize ordinary income of \$5.25 per share (lesser of gain on sale (\$10.50) or 5% of \$105.00 (\$5.25))

Your tax basis is \$109.75 (\$5.25 ordinary income recognized on the purchase plus your purchase price of \$104.50)

Your long-term capital gain at sale is \$5.25 (\$115.00 sale price minus \$109.75 tax basis)

Please note that these are only examples for illustrative purposes. The exact amount you will pay as ordinary income and capital gains will depend on the tax law in effect at the time of sale and on your own personal situation.

U.S. Tax Statements
If you sell your shares, Computershare will issue you a Tax Reporting Statement (1099-B) in February of the following year. This statement contains important information about any capital gains and losses. Computershare will also provide a 1099-DIV for any dividends paid to your account. If you terminate employment with Stryker and sell ESPP stock resulting in a Disqualifying Disposition, you will receive a Form W-2 from Stryker for the year in which the sale occurred.

Note: Any tax information in this communication is not intended or written by Computershare or Stryker to be used by any person or entity for the purpose of (i) Avoiding penalties that may be imposed under the Internal Revenue Code or (ii) Promoting, marketing, or recommending to another party any matters addressed herein. The information contained herein is general in nature and based on authorities that are subject to change. Applicability to specific situations is to be determined through consultation with your tax advisor.

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