

Corporate Policy 12

Improper Payments

Purpose

To provide further direction and guidance concerning the company's prohibition on improper payments.

Scope

This Policy applies to all employees, directors, and agents of Stryker and its domestic and foreign subsidiaries.

Basic policies

Stryker's Corporate Policy 1: Code of Conduct provides that "the company and its employees and directors will not make any improper payments to government or non-government officials, employees, customers, persons, or entities, nor will the company or its employees and directors request or accept any improper payment from suppliers, customers, or anyone seeking to do business with the company." The purpose of this Improper Payments Policy is to provide further guidance and direction on the company's prohibition on making, offering, accepting, or requesting improper payments.

1. Definitions for purposes of this Policy

- 1.1. The term **health care professional (HCP)** means those individuals and entities that purchase, lease, recommend, use, arrange for the purchase or lease of, or prescribe products sold, leased, or distributed by Stryker.
- 1.2. The term **improper** means any action that is intended to or creates the appearance of an intent to improperly influence a business decision of that person or secure any improper advantage.
- 1.3. The term **modest** means not extravagant, reasonable, and up to U.S. \$75.00 in fair market value including taxes and gratuities.
- 1.4. The term **occasional** means occurring or appearing at irregular or infrequent intervals.
- 1.5. The term **official** means any officer or employee of a government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any government or department, agency or instrumentality, or for or on behalf of any public international organization.
- 1.6. The term **payment** means giving, authorizing, or offering to give anything of value, including, but not limited to, money, entertainment, transportation, meals, food, cash-equivalents, donations, or other services or gifts.

2. Payments to government officials or related persons

- 2.1. **Permissible payment:** No payment may be made to an official unless it is in accordance with all applicable laws, regulations, industry codes of ethics, and Stryker policies, procedures, and guidelines.
- 2.2. **Improper payment:** A Stryker employee may not make an improper payment to an official or a related person or to any political party or official or candidate. This prohibition applies to improper payments that are made either directly by a Stryker employee or indirectly through an agent, distributor, consultant, partner, broker, representative, or other party.

3. Payments to health care professionals

- 3.1. **Permissible payment:** No payment may be made to an HCP unless it is in accordance with all applicable laws, regulations, industry codes of ethics, and Stryker policies, procedures, and guidelines.

- 3.2. **Improper payment:** A Stryker employee may not make an improper payment to an HCP to influence the decision to purchase, lease, recommend, use, arrange for the purchase or lease, or prescribe a medical device sold or distributed by Stryker. This prohibition applies to improper payments that are made either directly by a Stryker employee or indirectly through an agent, distributor, consultant, partner, broker, representative, or other party.

4. Payments to a Stryker employee from a customer, supplier, vendor, or other party

- 4.1. **Permissible payment:** Any payment to a Stryker employee must be in accordance with all applicable laws, regulations, and Stryker policies, procedures, and guidelines. A Stryker employee may accept the following from anyone doing or seeking to do business with Stryker:
- Modest and occasional meals and refreshments
 - Modest gifts for a significant life event (e.g., baby, wedding, death)
 - Modest seasonal gift baskets if the items in the gift basket are shared with the employee's department or work group and/or donated to a charitable organization (e.g., food pantry or shelter)
 - Modest and occasional branded promotional items (e.g., calendar, clothing, cup, pen, water bottle)
 - Occasional educational items that serve a genuine educational function (e.g., textbook)
 - An educational course or event with prior approval of the Division business leader, appropriate functional vice president, or the responsible Legal or Compliance representative. In attending that educational course or event, an employee may accept modest meals (included with the event) but must not accept travel and hotel lodging.
- 4.2. **Improper payment:** A Stryker employee may never accept an improper payment directly or indirectly from anyone doing or seeking to do business with Stryker. This includes transportation, travel, hotel lodging, tickets (e.g., sporting events or theatrical shows), entertainment, services, or other related activities.
- 4.3. **Solicitations by a Stryker employee:** Under no circumstances may a Stryker employee solicit or request any payment from anyone doing or seeking to do business with Stryker.

Compliance

All employees and Directors of Stryker are responsible for complying with this Policy, and the president or executive in charge of each Stryker Division, business and function is responsible for ensuring that his or her employees know and comply with this Policy. Violations of this Policy will result in company-imposed sanctions, up to and including dismissal. Questions about this Policy or about specific payments or gifts should be directed to the legal counsel or compliance officer of the applicable Division, or to Stryker's chief compliance officer, chief legal officer, or deputy general counsel.