

ACQUISITION BY STRYKER CORPORATION OF WRIGHT MEDICAL GROUP N.V.

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (CMA) has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in Stryker Corporation and Wright Medical Group N.V. ceasing to be distinct;
- (b) the CMA is considering whether to make a reference under section 22 or 33 of the Act;
- (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under sections 22 or 33 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Stryker Corporation (**Stryker**), Stryker UK Limited (**Stryker UK**) and Wright Medical Group N.V. (**Wright**) (the **Order**).

Commencement, application and scope

1. This Order commences on the commencement date: 19 May 2020.
2. This Order applies to Stryker, Stryker UK and Wright.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige

Stryker, Stryker UK or Wright to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

4. This Order does not prohibit the completion of the transaction provided that Stryker, Stryker UK and Wright observe the restrictions set out below.

Management of the Stryker and Wright businesses until determination of proceedings

5. Except with the prior written consent of the CMA, Stryker, Stryker UK and Wright shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Wright business with the Stryker business;
 - (b) transfer the ownership or control of the Stryker business or the Wright business or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Wright business or the Stryker business to compete independently in any of the markets affected by the transaction.
6. Further and without prejudice to the generality of paragraph 5 and subject to paragraph 3 and 4, Stryker, Stryker UK and Wright shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the Wright business is carried on separately from the Stryker business and the Wright business's separate sales or brand identity is maintained;
 - (b) the Wright business and the Stryker business are maintained as a going concern and sufficient resources are made available for the development of the Wright business and the Stryker business, on the basis of their respective pre-merger business plans;
 - (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Wright business or the Stryker business;
 - (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved;

- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Wright business and the Stryker business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Wright business or the Stryker business are disposed of; and
 - (iii) no interest in the assets of the Wright business or the Stryker business is created or disposed of;
- (f) there is no integration of the information technology of the Wright or Stryker businesses, and the software and hardware platforms of the Wright business shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Wright business will be carried out by the Wright business alone and for the avoidance of doubt the Stryker business will not negotiate on behalf of the Wright business (and vice versa) or enter into any joint agreements with the Wright business (and vice versa);
- (h) all existing contracts of the Wright business and the Stryker business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Wright business or Stryker business;
- (j) no key staff are transferred between the Wright business and the Stryker business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Wright business and the Stryker business; and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Wright business (or any of its employees, directors, agents or affiliates) to the Stryker business (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (including for example, where required for compliance with external regulatory and/or

accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

7. Stryker, Stryker UK and Wright shall procure that each of their subsidiaries complies with this Order as if the Order had been issued to each of them.
8. Stryker, Stryker UK and Wright shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Stryker, Stryker UK and Wright and their subsidiaries with this Order. In particular, on 2 June 2020 and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of Stryker, the Chief Executive Officer of Stryker UK and the Chief Executive Officer of Wright or other persons of Stryker, Stryker UK and Wright as agreed with the CMA shall, on behalf of each of Stryker, Stryker UK and Wright provide a statement to the CMA in the form set out in the Annexes A to C (respectively) to this Order confirming compliance with this Order.
9. At all times, Stryker, Stryker UK and Wright shall each actively keep the CMA informed of any material developments relating to the Wright business or the Stryker business, which includes but is not limited to:
 - (a) details of key staff who leave or join the Wright business or the Stryker business;
 - (b) any interruption of the Wright or Stryker business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Wright or Stryker business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Wright or Stryker business' contractual arrangements or relationships with key suppliers.
10. If Stryker, Stryker UK or Wright has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and any

monitoring trustee that Stryker, Stryker UK or Wright may be directed to appoint under paragraph 11.

11. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
12. Stryker, Stryker UK and Wright shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

13. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
14. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'business' has the meaning given by section 129(1) and (3) of the Act;

'commencement date' means 19 May 2020;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of sections 35 or 36 of the Act;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by Wright or Stryker and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of Wright and Stryker;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'Stryker' means Stryker Corporation, registered in Michigan USA with IRS number 38-1239739;

'the Stryker business' means the business of Stryker and its subsidiaries carried on as at the commencement date;

'Stryker UK' means Stryker UK Limited, a private limited company incorporated and registered in England and Wales with company number 03669454;

'the Stryker UK business' means the business of Stryker UK and its subsidiaries carried on as at the commencement date;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the transaction' means the transaction by which Stryker and Wright will cease to be distinct within the meaning of section 23 of the Act;

'the two businesses' means the Stryker business and the Wright business;

'Wright' means Wright Medical Group N.V., a public limited liability company organised under the laws of the Netherlands with its principal executive offices at Prins Bernhardplein 200, 1097 JB Amsterdam;

'the Wright business' means the business of Wright and its subsidiaries carried on as at the commencement date;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Elie Yoo
Assistant Director, Mergers

Compliance statement for Stryker

I [insert name] confirm on behalf of Stryker that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Stryker has complied with the Order made by the CMA in relation to the transaction on 19 May 2020 (the Order).
 - (b) Stryker's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Stryker that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Wright business with the Stryker business;
 - (ii) transfer the ownership or control of the Stryker business or any of its subsidiaries; or
 - (iii) otherwise impair the ability of the Wright business or the Stryker business to compete independently in any of the markets affected by the transaction.
 - (b) The Wright business has been carried on separately from the Stryker business and the Wright business's separate sales or brand identity has been maintained.
 - (c) The Stryker business has been maintained as a going concern and sufficient resources have been made available for the development of the Stryker business, on the basis of its pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Stryker business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Stryker business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Stryker business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Stryker business have been disposed of; and
 - (iii) no interest in the assets of the Stryker business has been created or disposed of.
- (g) There has been no integration of the information technology of the Wright or Stryker businesses, and the software and hardware platforms of the Wright business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Wright business have been carried out by the Wright business alone and, for the avoidance of doubt, the Stryker business has not negotiated on behalf of the Wright business (and vice versa) or entered into any joint agreements with the Wright business (and vice versa).
- (i) All existing contracts of the Stryker business have been serviced by the Stryker business, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Stryker business.
- (k) No key staff have been transferred between the Wright business and the Stryker business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Stryker business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the

two businesses, has passed, directly or indirectly, from the Wright business (or any of its employees, directors, agents or affiliates) to the Stryker business (or any of its employees, directors, agents or affiliates), or vice versa.

- (n) Except as listed in paragraph (o) below, there have been no:
- (i) key staff that have left or joined the Stryker business;
 - (ii) interruptions of the Stryker business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Stryker business; or
 - (iv) substantial changes in the Stryker business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Stryker and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Stryker business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both.** (Section 117 of the Enterprise Act 2002.)

Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF STRYKER

Signature

Name

Title

Date

Compliance statement for Stryker UK

I [insert name] confirm on behalf of Stryker UK that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Stryker UK has complied with the Order made by the CMA in relation to the transaction on 19 May 2020 (the Order).
 - (b) Stryker UK's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Stryker UK that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Wright business with the Stryker UK business;
 - (ii) transfer the ownership or control of the Stryker UK business or any of its subsidiaries; or
 - (iii) otherwise impair the ability of the Wright business or the Stryker UK business to compete independently in any of the markets affected by the transaction.
 - (b) The Wright business has been carried on separately from the Stryker UK business and the Wright business's separate sales or brand identity has been maintained.
 - (c) The Stryker UK business has been maintained as a going concern and sufficient resources have been made available for the development of the Stryker UK business, on the basis of its pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Stryker UK business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Stryker UK business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Stryker UK business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Stryker UK business have been disposed of; and
 - (iii) no interest in the assets of the Stryker UK business has been created or disposed of.
- (g) There has been no integration of the information technology of the Wright or Stryker UK businesses, and the software and hardware platforms of the Wright business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Wright business have been carried out by the Wright business alone and, for the avoidance of doubt, the Stryker UK business has not negotiated on behalf of the Wright business (and vice versa) or entered into any joint agreements with the Wright business (and vice versa).
- (i) All existing contracts of the Stryker UK business have been serviced by the Stryker UK business, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Stryker UK business.
- (k) No key staff have been transferred between the Wright business and the Stryker UK business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Stryker UK business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the

two businesses, has passed, directly or indirectly, from the Wright business (or any of its employees, directors, agents or affiliates) to the Stryker UK business (or any of its employees, directors, agents or affiliates), or vice versa.

- (n) Except as listed in paragraph (o) below, there have been no:
- (i) key staff that have left or joined the Stryker UK business;
 - (ii) interruptions of the Stryker UK business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Stryker UK business; or
 - (iv) substantial changes in the Stryker UK business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. Stryker UK and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Stryker UK business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **fines, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)

Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF STRYKER UK

Signature

Name

Title

Date

Compliance statement for Wright

I [insert name] confirm on behalf of Wright that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) Wright has complied with the Order made by the CMA in relation to the transaction on 19 May 2020 (the Order).
 - (b) Wright's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 and 4 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Wright that might prejudice a reference of the transaction under section 22 or 33 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Wright business with the Stryker business;
 - (ii) transfer the ownership or control of the Wright business or any of its subsidiaries; or
 - (iii) otherwise impair the ability of the Wright business to compete independently in any of the markets affected by the transaction.
 - (b) The Wright business has been carried on separately from the Stryker business and the Wright business's separate sales or brand identity has been maintained.
 - (c) The Wright business has been maintained as a going concern and sufficient resources have been made available for the development of the Wright business, on the basis of its pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Wright business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Wright business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Wright business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Wright business have been disposed of; and
 - (iii) no interest in the assets of the Wright business has been created or disposed of.
- (g) There has been no integration of the information technology of the Wright or Stryker businesses, and the software and hardware platforms of the Wright business have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Wright business have been carried out by the Wright business alone and, for the avoidance of doubt, the Stryker business has not negotiated on behalf of the Wright business (and vice versa) or entered into any joint agreements with the Wright business (and vice versa).
- (i) All existing contracts of the Wright business have been serviced by the Wright business, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Wright business.
- (k) No key staff have been transferred between the Wright business and the Stryker business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Wright business.
- (m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Wright

business (or any of its employees, directors, agents or affiliates) to the Stryker business (or any of its employees, directors, agents or affiliates), or vice versa.

- (n) Except as listed in paragraph (o) below, there have been no:
- (i) key staff that have left or joined the Wright business;
 - (ii) interruptions of the Wright business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Wright business; or
 - (iv) substantial changes in the Wright business's contractual arrangements or relationships with key suppliers.
- (o) *[list of material developments]*

3. Wright and its subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Wright business in accordance with paragraph 9 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **finances, imprisonment for a term not exceeding two years, or both.** (Section 117 of the Enterprise Act 2002.)

Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF WRIGHT

Signature

Name

Title

Date