

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Edith Ramirez, Chairwoman**
 Julie Brill
 Maureen K. Ohlhausen
 Joshua D. Wright
 Terrell McSweeney

In the Matter of)	
)	
ZIMMER HOLDINGS, INC.,)	
a corporation;)	
)	
LVB ACQUISITION, INC.,)	Docket C-
a corporation)	
)	
and)	
)	
BIOMET, INC.,)	
a corporation.)	

DECISION AND ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the acquisition by Respondent Zimmer Holdings, Inc. (“Zimmer”) of the voting securities of Respondent LVB Acquisition, Inc. (“LVB”) and its subsidiary, Respondent Biomet, Inc. (“Biomet”), collectively (“Respondents”), and Respondents having been furnished thereafter with a copy of a draft of the Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of the Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Decision and Order (“Order”):

1. Respondent Zimmer Holdings, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its headquarters address located at 345 East Main Street, Warsaw, IN 46580.
2. Respondent LVB Acquisition, Inc. is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its headquarters address located at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.
3. Respondent Biomet, Inc. is a wholly owned subsidiary of LVB Acquisition, Inc. and is a corporation organized, existing and doing business under and by virtue of the laws of Indiana, with its office and principal place of business located at 56 East Bell Drive, Warsaw, IN 46582.
4. The Commission has jurisdiction of the subject matter of this proceeding and of the Respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Zimmer” means Zimmer Holdings, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups, and affiliates in each case controlled by Zimmer Holdings, Inc., including but not limited to Zimmer, Inc. and Zimmer US, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each. After the Acquisition, Zimmer shall include Biomet.
- B. “Biomet” means LVB Acquisition, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups and affiliates in each case controlled by Biomet, including but not limited to Biomet, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. “Respondent(s)” means Zimmer and Biomet, individually and collectively.

- D. “Commission” means the Federal Trade Commission.
- E. “Actual Cost” means the actual cost incurred to provide the relevant goods or services, including the cost of direct labor and direct material used and allocation of overhead that is consistent with past custom and practice.
- F. “Acquisition” means the acquisition of Biomet by Zimmer pursuant to the Agreement and Plan of Merger between Zimmer and Biomet dated as of April 24, 2014.
- G. “Acquisition Date” means the date on which the Acquisition is consummated.
- H. “Agency(ies)” means any government regulatory authority or authorities in the world responsible for granting approval(s), clearance(s), qualification(s), license(s), or permit(s) for any aspect of the research, Development, manufacture, marketing, distribution, or sale of the Bone Cement, Total Elbow Implants, and Unicodylar Knee Implants, as the case may be. The term “Agency” includes, without limitation, the United States Food and Drug Administration (“FDA”).
- I. “Bone Cement” means an acrylic based, self-curing material used in joint arthroplasties to mechanically fix reconstructive joint implants to bone.
- J. “Bone Cement Accessories” means those mixing and application products sold for use with Bone Cement.
- K. “Business” means the Cobalt Business, the Discovery Business, or the ZUK Business, as the case may be.
- L. “Business Service Providers” means those persons who render substantial services to the Cobalt Business, the Discovery Business or the ZUK Business, as the case may be, as described in the Remedial Agreement for the Cobalt Business, the Discovery Business or the ZUK Business, as the case may be.
- M. “Clinical Trial(s)” means a controlled study in humans of the safety or efficacy of a product, and includes, without limitation, such clinical trials as are designed to satisfy the requirements of an Agency in connection with any product and any other human study used in research and Development of a product.
- N. “Closing Date” means the date Respondents divest a Business to a Commission-Approved Acquirer pursuant to a Remedial Agreement.
- O. “Cobalt Assets To Be Divested” means the Cobalt Business and the Cobalt Background IP License.
- P. “Cobalt Background IP” means all patents, copyrights, trade secrets or other intellectual property rights owned by Biomet as of the Closing Date (other than trademarks or trade

dress), that are related to and used in or would otherwise be infringed by the Cobalt Business as of the Closing Date but that are not included in the Cobalt Business.

- Q. “Cobalt Background IP License” means a royalty-free, fully paid-up, perpetual, irrevocable, non-exclusive license to the Commission-Approved Acquirer of the Cobalt Business under any Cobalt Background IP to operate the Cobalt Business, including the research, Development, manufacture, distribution, marketing or sale of Bone Cement and Bone Cement Accessories in the United States.
- R. “Cobalt Business” means all of the rights, titles and interest in the United States in the Bone Cement products marketed under the brand names Cobalt™ HV Bone Cement, Cobalt™ HV Bone Cement with Gentamicin, Cobalt™ MV Bone Cement, Cobalt™ MV Bone Cement with Gentamicin, including Bone Cement Accessories, any improvements as of the Closing Date, and all such products under Development as of the Closing Date, including the right to Develop, manufacture and use with a view to its marketing and sale in the United States only, including, but not limited to:
1. Finished product inventory designated for the United States;
 2. Accessories inventory for the Cobalt Products in the United States;
 3. Advertising, marketing and promotional materials for the Cobalt Products in the United States;
 4. Copies of all design history files, technical files, drawings, product specifications, manufacturing process descriptions, validation documentation, packaging specifications, quality control standards and regulatory records for the Cobalt Products in the United States;
 5. Demonstration models, prototypes, samples, instruments, and supporting equipment that are used for training purposes in the United States and copies of all training materials that are used for training in the proper use of the Cobalt Products in the United States;
 6. Copies of all testing and clinical performance reports, market research reports and other marketing related information and materials for the Cobalt Products;
 7. Copies of all Cobalt Manufacturing Technology;
 8. Copies of all Cobalt Scientific and Regulatory Material;
 9. Cobalt Intellectual Property;
 10. A list of existing and past customers for the Cobalt Products in the United States;

11. Copies of customer credit and other records for the Cobalt Products in the United States;
12. Copies of all books, ledgers and other business records for the Cobalt Products in the United States;
13. Copies of clinical, regulatory, and customer sales databases for the Cobalt Products in the United States; and
14. All licenses, permits and authorizations related to the Cobalt Products in the United States, to the extent transferrable, and all dossiers to the current and/or pending authorizations held or sought for the Cobalt Products in the United States.

provided, however, that “Cobalt Business” does not include the Retained Business; and

provided further, however, that with respect to documents or other materials included in the Cobalt Business that contain information (a) that relates both to Cobalt Products and to other products of Respondents or (b) for which Respondents have a legal obligation to retain the original copies, Respondents shall be required to provide only copies or, at their option, relevant excerpts of such documents and materials, but Respondents shall provide the Commission-Approved Acquirer access to the originals of such documents as necessary, it being a purpose of this proviso to ensure that Respondents not be required to divest themselves completely of records or information that relate to products other than Cobalt Products.

- S. “Cobalt Intellectual Property” means all of the following to the extent primarily related to the research, Development, manufacture, marketing, distribution, or sale of Cobalt Products in the United States:
1. United States patents and patent applications in each case filed, or in existence, on or before the Closing Date, and any renewal, derivation, divisions, reissues, continuation, continuations in-part, modifications, or extensions thereof; and
 2. Trademarks, trade dress, copyrights, trade secrets, know-how, techniques, data, inventions, practices, methods, and other confidential or proprietary technical, business, research, Development and other information; in each case, other than patents or patent applications (which are addressed in Item 1, above).
- T. “Cobalt Manufacturing Technology” means all tangible technology, trade secrets, know-how, formulas, and proprietary information (whether patented, patentable or otherwise), in each case to the extent related to the manufacture of Cobalt Products for sale in or into the United States, including, but not limited to, the following: all product specifications, processes, analytical methods, product designs, plans, trade secrets, ideas, concepts, manufacturing, engineering, and other manuals and drawings, standard operating procedures, flow diagrams, chemical, safety, quality assurance, quality control, research

records, clinical data, compositions, annual product reviews, regulatory communications, control history, current and historical information associated with the FDA Approval(s) conformance, and labeling and all other information related to the manufacturing process, and supplier lists.

- U. “Cobalt Products” means the Bone Cement products marketed under the brand names Cobalt™ HV Bone Cement, Cobalt™ HV Bone Cement with Gentamicin, Cobalt™ MV Bone Cement, Cobalt™ MV Bone Cement with Gentamicin , including Bone Cement Accessories, any improvements at the Closing Date and any pipeline products at the Closing Date.
- V. “Cobalt Scientific and Regulatory Material” means all technological, scientific, chemical, biological, pharmacological, toxicological, regulatory and Clinical Trial materials and information, to the extent each of the foregoing are related to the research, Development, manufacture, marketing, distribution, or sale of Cobalt Products in the United States.
- W. “Commission-Approved Acquirer” means the following:
1. Smith & Nephew, as to the ZUK Assets To Be Divested;
 2. DJO, as to the Cobalt Assets To Be Divested and the Discovery Assets To Be Divested; or
 3. An entity that receives the prior approval of the Commission to acquire the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested.
- X. “Confidential Business Information” means competitively sensitive, proprietary, and all information owned by, or in the possession or control of, any Respondent that is not in the public domain and that is directly related to the conduct of the Cobalt Business, the Discovery Business, or the ZUK Business, as the case may be. The term “Confidential Business Information” excludes the following:
1. Information relating to any Respondent’s general business strategies or practices that does not discuss with particularity the Cobalt Business, the Discovery Business, or the ZUK Business, as the case may be;
 2. Information that is contained in documents, records or books of any Respondent that are provided to a Commission-Approved Acquirer by a Respondent that is unrelated to the Business acquired by that Commission-Approved Acquirer or that is exclusively related to the Retained Business;
 3. Information that is protected by the attorney work product, attorney-client, joint defense or other privilege prepared in connection with the Acquisition and relating to any United States, state, or foreign antitrust or competition Laws;

4. Information that subsequently falls within the public domain through no violation of this Order or breach of confidentiality and non-disclosure agreement with respect to such information by Respondents;
 5. Information related to the Cobalt Business or the Discovery Business that Zimmer can demonstrate it obtained without the assistance of Biomet prior to the Acquisition;
 6. Information related to the ZUK Business that Biomet can demonstrate it obtained without the assistance of Zimmer prior to the Acquisition;
 7. Information that is required by Law to be disclosed;
 8. Information that does not directly relate to the Cobalt Business, the Discovery Business, or the ZUK Business; and
 9. Information that Respondents demonstrate to the satisfaction of the Commission, in the Commission's sole discretion:
 - a. Is necessary to be included in Respondents' mandatory regulatory filings, *provided, however*, that Respondents shall make all reasonable efforts to maintain the confidentiality of such information in the regulatory filings;
 - b. Is information the disclosure of which is consented to by the Commission-Approved Acquirer;
 - c. Is necessary to be exchanged in the course of consummating the Acquisition or the transaction under the Remedial Agreement; or
 - d. Is disclosed in complying with this Order.
- Y. "Development" means all preclinical and clinical medical device development activities, including test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, development-stage manufacturing, quality assurance/quality control development, statistical analysis and report writing, conducting Clinical Trials for the purpose of obtaining any and all approvals, licenses, registrations or authorizations from any Agency necessary for the manufacture, use, storage, import, export, transport, promotion, marketing, and sale of a product, product approval and registration, and regulatory affairs related to the foregoing. "Develop" means to engage in Development.
- Z. "Discovery Assets To Be Divested" means the Discovery Business and the Discovery Background IP License.
- AA. "Discovery Background IP" means all patents, copyrights, trade secrets or other intellectual property rights owned by Biomet as of the Closing Date (other than

trademarks or trade dress), that are related to and used in or would otherwise be infringed by the Discovery Business as of the Closing Date but that are not included in the Discovery Business.

- BB. “Discovery Background IP License” means a royalty-free, fully paid-up, perpetual, irrevocable, non-exclusive license to the Commission-Approved Acquirer of the Discovery Business under any Discovery Background IP to operate the Discovery Business, including the research, Development, manufacture, distribution, marketing or sale of Total Elbow Implants in the United States.
- CC. “Discovery Business” means all of the rights, titles and interest in the United States in the elbow products marketed under the brand name Discovery™ Elbow, including associated instrumentation, any improvements as of the Closing Date, and all such products under Development as of the Closing Date, including the right to Develop, manufacture and use with a view to its marketing and sale in the United States only, including, but not limited to:
1. Finished product inventory designated for the United States;
 2. Instrumentation inventory for the Discovery Products in the United States;
 3. Advertising, marketing and promotional materials for the Discovery Products in the United States;
 4. Copies of all design history files, technical files, drawings, product specifications, manufacturing process descriptions, validation documentation, packaging specifications, quality control standards and regulatory records for the Discovery Products in the United States;
 5. Demonstration models, prototypes, samples, instruments, and supporting equipment that are used for training purposes in the United States and copies of all training materials that are used for training in the proper use of the Discovery Products in the United States;
 6. Copies of all testing and clinical performance reports, market research reports and other marketing related information and materials for the Discovery Products;
 7. Copies of all Discovery Manufacturing Technology;
 8. Copies of all Discovery Scientific and Regulatory Material;
 9. Tooling and fixtures to manufacture the Discovery Products in the United States;
 10. Discovery Intellectual Property;

11. A list of existing and past customers for the Discovery Products in the United States;
12. Customer credit and other records for the Discovery Products in the United States;
13. Copies of all books, ledgers and other business records for the Discovery Products in the United States;
14. Copies of clinical, regulatory, and customer sales databases for the Discovery Products in the United States; and
15. All licenses, permits and authorizations related to the Discovery Products in the United States, to the extent transferrable, and all dossiers to the current and/or pending authorizations held or sought for the Discovery Products in the United States.

provided, however, that “Discovery Business” does not include the Retained Business; and

provided further, however, that with respect to documents or other materials included in the Discovery Business that contain information (a) that relates both to Discovery Products and to other products of Respondents or (b) for which Respondents have a legal obligation to retain the original copies, Respondents shall be required to provide only copies or, at their option, relevant excerpts of such documents and materials, but Respondents shall provide the Commission-Approved Acquirer access to the originals of such documents as necessary, it being a purpose of this proviso to ensure that Respondents not be required to divest themselves completely of records or information that relate to products other than Discovery Products.

- DD. “Discovery Intellectual Property” means all of the following to the extent primarily related to the research, Development, manufacture, marketing, distribution, or sale of Discovery Products in the United States:
1. United States patents and patent applications in each case filed, or in existence, on or before the Closing Date, and any renewal, derivation, divisions, reissues, continuation, continuations in-part, modifications, or extensions thereof; and
 2. Trademarks, trade dress, copyrights, trade secrets, know-how, techniques, data, inventions, practices, methods, and other confidential or proprietary technical, business, research, Development and other information; in each case, other than patents or patent applications (which are addressed in Item 1, above).
- EE. “Discovery Manufacturing Technology” means all tangible technology, trade secrets, know-how, formulas, and proprietary information (whether patented, patentable or otherwise), in each case to the extent related to the manufacture of Discovery Products for sale in or into the United States, including, but not limited to, the following: all product specifications, processes, analytical methods, product designs, plans, trade

secrets, ideas, concepts, manufacturing, engineering, and other manuals and drawings, standard operating procedures, flow diagrams, chemical, safety, quality assurance, quality control, research records, clinical data, compositions, annual product reviews, regulatory communications, control history, current and historical information associated with the FDA Approval(s) conformance, and labeling and all other information related to the manufacturing process, and supplier lists.

- FF. “Discovery Products” means the elbow products marketed under the brand name Discovery® Elbow, including associated instrumentation, any improvements at the Closing Date and any pipeline products at the Closing Date.
- GG. “Discovery Scientific and Regulatory Material” means all technological, scientific, chemical, biological, pharmacological, toxicological, regulatory and Clinical Trial materials and information, to the extent each of the foregoing are related to the research, Development, manufacture, marketing, distribution, or sale of Discovery Products in the United States.
- HH. “Divestiture Trustee” means the trustee appointed by the Commission pursuant to Paragraph IV of this Order.
- II. “DJO” means DJO Global, Inc., a corporation organized under the laws of the state of Delaware with its principal place of business at 1430 Decision Street, Vista, CA 9208.
- JJ. “DJO Agreement” means the “Asset Purchase Agreement” by and between Zimmer Holdings, Inc. and Encore Medical, L.P., an indirect wholly owned partnership of DJO, dated as of June 16, 2015, and all amendments, exhibits, attachments, agreements and schedules, in each case thereto or contemplated thereby, related to the Cobalt Assets To Be Divested and the Discovery Assets To Be Divested, that have been approved by the Commission to accomplish the requirements of this Order. The DJO Agreement is attached to this Order as Non-Public Appendix A.
- KK. “Exclusive Supplier Contract” means any contract for the supply of inputs to, or accessories or instrumentation for, the Cobalt Products, the Discovery Products, or the ZUK Products, as the case may be, where under the terms of the contract with Respondents, the Commission-Approved Acquirer would be prevented from entering into a contract for the supply of such inputs, accessories or instrumentation with such Supplier. “Exclusive Supplier Contract” includes, but is not limited to, the Materialise Contract and the MGH Contract.
- LL. “Government Entity” means any Federal, state, local or non-U.S. government, or any court, legislature, Agency, or government commission, or any judicial or regulatory authority of any government.
- MM. “Interim Monitor” means any monitor appointed pursuant to Paragraph V of this Order.

- NN. “Law” means all laws, statutes, rules, regulations, ordinances, and other pronouncements by any Government Entity having the effect of law.
- OO. “Materialize” means Materialise NV a limited liability company existing under the laws of Belgium with a registered office at Technologielaan 15, B-3001, Leuven, Belgium.
- PP. “Materialise Contract” means the October 18, 2011, Development and Distribution Agreement, as amended as of the Closing Date, between Zimmer and Materialise NV related to patient specific instrumentation.
- QQ. “MGH Contract” means the January 1, 2005, Master License Agreement, as amended as of the Closing Date, by and among Zimmer and The General Hospital Corporation, Cambridge Polymer Group, Inc.
- RR. “Order Date” means the date on which the final Decision and Order in this matter is issued by the Commission.
- SS. “Person” means any individual, partnership, joint venture, firm, corporation, association, trust, unincorporated organization, or other business or Government Entity, and any subsidiaries, divisions, groups or affiliates thereof.
- TT. “Remedial Agreement(s)” means the following:
1. The DJO Agreement;
 2. The S&N Agreement; and
 3. Any agreement between a Respondent and a Commission-Approved Acquirer (or between a Divestiture Trustee and a Commission-Approved Acquirer that has received the prior approval of the Commission) to accomplish the requirements of this Order, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Assets To Be Divested, that have been approved by the Commission to accomplish the requirements of this Order.
- UU. “Retained Business” means:
1. All right, title and interest in and to the names “Zimmer” and “Biomet,” together with all variations thereof and all trademarks and trade dress containing, incorporating or associated with any of the foregoing, and any trademark and trade dress other than what is included in the Cobalt Business, the Discovery Business, and the ZUK Business;
 2. Any of the assets, tangible or intangible, businesses or goodwill that relate to the Retained Products, including the right to manufacture Retained Products in the United States for sale exclusively outside the United States; and

3. Cash and cash equivalents; tax assets; stock in any entity; corporate and tax records of any entity; insurance policies; benefit plans; and accounts receivable arising prior to the Closing Date.
- VV. “Retained Products” means any product researched, Developed, manufactured, marketed, sold or distributed by Respondents other than Cobalt Products, Discovery Products, or ZUK Products in the United States. For the avoidance of doubt, Retained Product includes Cobalt Products, Discovery Products, and ZUK Products for sale exclusively outside the United States.
- WW. “S&N” means Smith & Nephew, Inc., a corporation organized under the laws of the state of Delaware with its principal place of business at 1450 Brooks Road, Memphis, Tennessee 38116.
- XX. “S&N Agreement” means the “Asset Purchase Agreement” by and between Zimmer Holdings, Inc. and S&N dated as of June 15, 2015, and all amendments, exhibits, attachments, agreements and schedules, in each case thereto or contemplated thereby, related to the ZUK Assets To Be Divested, that have been approved by the Commission to accomplish the requirements of this Order. The S&N Agreement is attached to this Order as Non-Public Appendix B.
- YY. “Supplier” means any Third Party provider of inputs to, or accessories or instrumentation for, the Cobalt Products, the Discovery Products, or the ZUK Products, as the case may be.
- ZZ. “Total Elbow Implants” means medical devices that replace the elbow joint with a metal hinge affixed to stems implanted in the humerus and ulna. Total elbow implants are used to treat advanced osteoarthritis or severe trauma.
- AAA. “Transition Services Agreement” means an agreement by Respondents to provide all advice, consultation, and assistance reasonably necessary for any Commission-Approved Acquirer to receive and use, in any manner related to achieving the purposes of this Order, any assets, right, or interest relating to the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be.
- BBB. “Third Party(ies)” means any non-governmental Person other than the Respondents, or the Commission-Approved Acquirer.
- CCC. “Unicondylar Knee Implants” means medical devices implanted into a patient’s knee to replace damaged bone and cartilage in one compartment of the knee, typically due to advanced osteoarthritis.
- DDD. “ZUK Assets To Be Divested” means the ZUK Business and the ZUK Background IP License.

- EEE. “ZUK Background IP” means all patents, copyrights, trade secrets or other intellectual property rights owned by Zimmer as of the Closing Date (other than trademarks or trade dress), that are related to and used in or would otherwise be infringed by the ZUK Business as of the Closing Date but that are not included in the ZUK Business, other than any such intellectual property rights related to Vivacit-E® antioxidant stabilized polyethylene technology.
- FFF. “ZUK Background IP License” means a royalty-free, fully paid-up, perpetual, irrevocable, non-exclusive license to the Commission-Approved Acquirer of the ZUK Business under any ZUK Background IP to operate the ZUK Business, including the research, Development, manufacture, distribution, marketing or sale of Unicodylar Knee Implants in the United States.
- GGG. “ZUK Business” means all of the rights, titles and interest in the United States in the partial knee system marketed under the brand name Zimmer® Unicompartmental High Flex Knee System, including instrumentation (including patient specific instrumentation), any improvements as of the Closing Date, and all products under development as of the Closing Date, including the right to Develop, manufacture and use with a view to its marketing and sale in the United States only, including, but not limited to:
1. Finished product inventory designated for the United States;
 2. Instrumentation inventory for the ZUK Products in the United States;
 3. Advertising, marketing and promotional materials for the ZUK Products in the United States;
 4. Copies of all design history files, technical files, drawings, product specifications, manufacturing process descriptions, validation documentation, packaging specifications, quality control standards and regulatory records for the ZUK Products in the United States;
 5. Demonstration models, prototypes, samples, instruments, and supporting equipment that are used for training purposes in the United States and copies of all training materials that are used for training in the proper use of the ZUK Products in the United States;
 6. Copies of all testing and clinical performance reports, market research reports and other marketing related information and materials for the ZUK Products in the United States;
 7. Copies of all ZUK Manufacturing Technology;
 8. Copies of all ZUK Scientific and Regulatory Material;

9. ZUK Intellectual Property;
10. A list of existing and past customers for the ZUK Products in the United States;
11. Customer credit and other records for the ZUK Products in the United States;
12. Copies of all books, ledgers and other business records for the ZUK Products in the United States;
13. Copies of clinical, regulatory, and customer sales databases for the ZUK Products in the United States; and
14. All licenses, permits and authorizations related to the ZUK Products in the United States, to the extent transferrable, and all dossiers to the current and/or pending authorizations held or sought for the ZUK Products in the United States.

provided, however, that “ZUK Business” does not include the Retained Business; and

provided further, however, that with respect to documents or other materials included in the ZUK Business that contain information (a) that relates both to ZUK Products and to other products of Respondents or (b) for which Respondents have a legal obligation to retain the original copies, Respondents shall be required to provide only copies or, at their option, relevant excerpts of such documents and materials, but Respondents shall provide the Commission-Approved Acquirer access to the originals of such documents as necessary, it being a purpose of this proviso to ensure that Respondents not be required to divest themselves completely of records or information that relate to products other than ZUK Products.

HHH. “ZUK Intellectual Property” means all of the following to the extent primarily related to the research, Development, manufacture, marketing, distribution, or sale of ZUK Products in the United States:

1. United States patents and patent applications in each case filed, or in existence, on or before the Closing Date, and any renewal, derivation, divisions, reissues, continuation, continuations in-part, modifications, or extensions thereof; and
2. Trademarks, trade dress, copyrights, trade secrets, know-how, techniques, data, inventions, practices, methods, and other confidential or proprietary technical, business, research, Development and other information; in each case, other than patents or patent applications (which are addressed in Item 1, above).

III. “ZUK Manufacturing Technology” means all tangible technology, trade secrets, know-how, formulas, and proprietary information (whether patented, patentable or otherwise), in each case to the extent related to the manufacture of ZUK Products for sale in or into the United States, including, but not limited to, the following: all product specifications,

processes, analytical methods, product designs, plans, trade secrets, ideas, concepts, manufacturing, engineering, and other manuals and drawings, standard operating procedures, flow diagrams, chemical, safety, quality assurance, quality control, research records, clinical data, compositions, annual product reviews, regulatory communications, control history, current and historical information associated with the FDA Approval(s) conformance, and labeling and all other information related to the manufacturing process, and supplier lists.

JJJ. “ZUK Products” means the partial knee system marketed under the brand name Zimmer® Unicompartmental High Flex Knee System, including instrumentation (including patient specific instrumentation), any improvements at the Closing Date and any pipeline products at the Closing Date.

KKK. “ZUK Scientific and Regulatory Material” means all technological, scientific, chemical, biological, pharmacological, toxicological, regulatory and Clinical Trial materials and information, to the extent each of the foregoing are related to the research, Development, manufacture, marketing, distribution, or sale of ZUK Products in the United States.

II.

IT IS FURTHER ORDERED that:

A. Not later than ten (10) days after the Acquisition Date, Zimmer shall divest the Cobalt Assets To Be Divested, absolutely and in good faith, to DJO pursuant to, and in accordance with, the DJO Agreement(s) (which agreement(s) shall not limit or contradict, or be construed to limit or contradict, the terms of this Order, it being understood that this Order shall not be construed to reduce any rights or benefits of the Commission-Approved Acquirer or to reduce any obligations of Zimmer under such agreement(s)), and each such agreement, if it becomes a Remedial Agreement, is incorporated by reference into this Order and made a part hereof;

provided, however, that if Respondents have divested the Cobalt Assets To Be Divested to DJO prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that DJO is not an acceptable purchaser of the Cobalt Assets To Be Divested, then Respondents shall immediately rescind the transaction with DJO, in whole or in part, as directed by the Commission, and shall divest the Cobalt Assets To Be Divested within one hundred eighty (180) days from the Order Date, absolutely and in good faith, at no minimum price, to an acquirer that receives the prior approval of the Commission, and only in a manner that receives the prior approval of the Commission;

provided further, however, that if Respondents have divested the Cobalt Assets To Be Divested to DJO prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that the manner in which the divestiture was accomplished is not acceptable, the Commission

may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to the manner of divestiture of the Cobalt Assets To Be Divested to DJO (including, but not limited to, entering into additional agreements or arrangements) as the Commission may determine are necessary to satisfy the requirements of this Order.

- B. Respondents shall secure all consents and waivers with respect to any rights expressly granted to Biomet by Third Parties or Government Entities, or to Third Parties or Government Entities by Biomet, from all Third Parties or Government Entities necessary for the divestiture of the Cobalt Assets To Be Divested to the Commission-Approved Acquirer, or for the continued research, Development, manufacture, distribution, marketing or sale of Bone Cement in the United States by the Commission-Approved Acquirer.
- C. Respondents shall:
1. submit to the Commission-Approved Acquirer, at Respondents' expense, all Confidential Business Information related to the Cobalt Assets To Be Divested;
 2. deliver all Confidential Business Information related to the Cobalt Assets To Be Divested to the Commission-Approved Acquirer:
 - a. in good faith;
 - b. in a timely manner, *i.e.*, as soon as practicable, avoiding any delays in transmission of the respective information; and
 - c. in a manner that ensures its completeness and accuracy and that fully preserves its usefulness;
 3. pending complete delivery of all such Confidential Business Information to the Commission-Approved Acquirer, provide the Commission-Approved Acquirer and the Interim Monitor (if any has been appointed) with access to all such Confidential Business Information and employees who possess or are able to locate such information for the purposes of identifying the books, records, and files directly related to the Cobalt Assets To Be Divested that contain such Confidential Business Information and facilitating the delivery in a manner consistent with this Order.
- D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with the requirements of this Order, any Remedial Agreement, or any Law) related to the Cobalt Business for the manufacture, Development, marketing or sale of Bone Cement in or into the United States, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any Person except in connection with the divestiture of the Cobalt Assets To Be Divested, to the Interim Monitor, if any, and to the Divestiture Trustee, if any, *provided however*, that:

1. This Paragraph II.D. shall not apply to any Confidential Business Information related to the Cobalt Business that Respondents can demonstrate to the Commission that Zimmer obtained other than in connection with the Acquisition;
2. This Paragraph II.D. shall not apply to any Confidential Business Information to the extent related to Retained Products or the Retained Business;
3. This Paragraph II.D. shall not apply to the use of Confidential Business Information by Respondents to defend against legal claims brought by any Third Party, or investigations or enforcement actions by Government Entities; and
4. This Paragraph II.D. shall not apply to the use of Confidential Business Information by Respondents to the extent consented to by the Commission-Approved Acquirer;

provided, however, that Respondents shall require any Biomet employees or agents who as of the Closing Date have access to Confidential Business Information related to the Cobalt Business to enter into, no later than thirty (30) days after the Closing Date, confidentiality agreements with Respondents and the Commission-Approved Acquirer not to disclose such Confidential Business Information except as set forth in this Paragraph II.D.

- E. Respondents shall enter into an agreement to supply Cobalt Products to the Commission-Approved Acquirer at no more than Respondents' Actual Cost for a period of time, subject to the approval of the Commission, sufficient for the Commission-Approved Acquirer to successfully manufacture Cobalt Products in commercial quantities at economical costs at its own facility.
- F. Respondents shall:
1. Not later than ten (10) business days after signing a Remedial Agreement related to the Cobalt Assets To Be Divested provide to the proposed Commission-Approved Acquirer a list of Business Service Providers related to the Cobalt Business and for each Business Service Provider provide the name, title and work location, and such other information as the proposed Commission-Approved Acquirer may reasonably request;
 2. Provide an opportunity for six (6) months from the signing of any Remedial Agreement related to the Cobalt Assets To Be Divested for the proposed Commission-Approved Acquirer: (a) to meet personally, and outside the presence or hearing of any employee or agent of Respondents, with any one or more of the Business Service Providers related to the Cobalt Business; and (b) to make offers of employment or agency to any one or more of the Business Service Providers;
 3. Not interfere, directly or indirectly, with the hiring or employing by the proposed Commission-Approved Acquirer of Business Service Providers related to the Cobalt

Business, and shall remove any impediments or incentives within the control of Respondents that may deter these employees from accepting employment with the proposed Commission-Approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the proposed Commission-Approved Acquirer, subject to the Closing occurring and the limitations on the number and locations of the Business Service Providers contained in the Remedial Agreement as approved by the Commission. In order to induce the Business Service Providers to accept employment or agency with the Commission-Approved Acquirer, Respondents shall pay a bonus to any Business Service Provider who enters into employment or agency with the Commission-Approved Acquirer in an amount contained in the Remedial Agreement as approved by the Commission, but in no event more than twenty five (25) percent of the Business Service Provider's total compensation for the prior year. In addition, Respondents shall not make any counteroffer to a Business Service Provider who receives a written offer of employment from the proposed Commission-Approved Acquirer; and

4. Not, for a period of one (1) year following the date any Business Service Provider accepts employment or agency with the Commission-Approved Acquirer, without the Commission-Approved Acquirer's prior written consent, directly or indirectly, solicit or otherwise attempt to induce any of the Business Service Provider to terminate their employment or agency with the Commission-Approved Acquirer; *provided, however*, that Respondents may:
 - a. Advertise for employees in newspapers, trade publications or other media not targeted specifically at Business Service Providers, or
 - b. Hire Business Service Providers who apply for employment with Respondents, as long as such employees were not solicited by Respondents in violation of this Paragraph.

Provided, however, that this Paragraph shall not prohibit Respondents from making offers of employment or agency to or employing any Business Service Provider after the Closing Date where the Commission-Approved Acquirer has notified Respondents in writing that the Commission-Approved Acquirer does not intend to make an offer of employment or agency to that Business Service Provider.

- G. Respondents shall include in any Remedial Agreement at the option of the Commission-Approved Acquirer a Transition Services Agreement, subject to the approval of the Commission, *provided however*, the term of any Transition Services Agreement shall be at the option of the Commission-Approved Acquirer, but not longer than the time sufficient for the Commission-Approved Acquirer to successfully manufacture Cobalt Products in commercial quantities at economical costs at its own facility.

- H. No later than the Closing Date, Respondents shall waive any rights under any Exclusive Supplier Contracts that would prevent the Commission-Approved Acquirer from entering into a contract with the Supplier for the supply of inputs to, or accessories or instrumentation for, the Cobalt Products. No later than three (3) days after the Closing Date, Respondents shall notify in writing any Supplier that is party to an Exclusive Supplier Contract of such waiver.
- I. Respondents shall comply fully and timely with all the terms of the Defense, Indemnification and Hold Harmless Agreement dated September 22, 2014, between Biomet, Inc. and Esschem, Inc.
- J. The purpose of the divestiture of the Cobalt Assets To Be Divested to a Commission-Approved Acquirer is to create an independent, viable and effective competitor in the market for the Development, license, manufacture, marketing, distribution, and sale of Bone Cement in the United States and to remedy the lessening of competition from the Acquisition as alleged in the Commission's Complaint.

III.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) days after the Acquisition Date, Zimmer shall divest the Discovery Assets To Be Divested, absolutely and in good faith, to DJO pursuant to, and in accordance with, the DJO Agreement(s) (which agreement(s) shall not limit or contradict, or be construed to limit or contradict, the terms of this Order, it being understood that this Order shall not be construed to reduce any rights or benefits of the Commission-Approved Acquirer or to reduce any obligations of Zimmer under such agreement(s)), and each such agreement, if it becomes a Remedial Agreement, is incorporated by reference into this Order and made a part hereof;

provided, however, that if Respondents have divested the Discovery Assets To Be Divested to DJO prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that DJO is not an acceptable purchaser of the Discovery Assets To Be Divested, then Respondents shall immediately rescind the transaction with DJO, in whole or in part, as directed by the Commission, and shall divest the Discovery Assets To Be Divested within one hundred eighty (180) days from the Order Date, absolutely and in good faith, at no minimum price, to an acquirer that receives the prior approval of the Commission, and only in a manner that receives the prior approval of the Commission;

provided further, however, that if Respondents have divested the Discovery Assets To Be Divested to DJO prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that the manner in which the divestiture was accomplished is not acceptable, the Commission may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to

the manner of divestiture of the Discovery Assets To Be Divested to DJO (including, but not limited to, entering into additional agreements or arrangements) as the Commission may determine are necessary to satisfy the requirements of this Order.

- B. Respondents shall secure all consents and waivers with respect to any rights expressly granted to Biomet by Third Parties or Government Entities, or to Third Parties or Government Entities by Biomet, from all Third Parties or Government Entities necessary for the divestiture of the Discovery Assets To Be Divested to the Commission-Approved Acquirer, or for the continued research, Development, manufacture, distribution, marketing or sale of Total Elbow Implants in the United States by the Commission-Approved Acquirer.
- C. Respondents shall:
1. submit to the Commission-Approved Acquirer, at Respondents' expense, all Confidential Business Information related to the Discovery Assets To Be Divested;
 2. deliver all Confidential Business Information related to the Discovery Assets To Be Divested to the Commission-Approved Acquirer:
 - a. in good faith;
 - b. in a timely manner, *i.e.*, as soon as practicable, avoiding any delays in transmission of the respective information; and
 - c. in a manner that ensures its completeness and accuracy and that fully preserves its usefulness;
 3. pending complete delivery of all such Confidential Business Information to the Commission-Approved Acquirer, provide the Commission-Approved Acquirer and the Interim Monitor (if any has been appointed) with access to all such Confidential Business Information and employees who possess or are able to locate such information for the purposes of identifying the books, records, and files directly related to the Discovery Assets To Be Divested that contain such Confidential Business Information and facilitating the delivery in a manner consistent with this Order.
- D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with the requirements of this Order, any Remedial Agreement, or any Law) related to the Discovery Business for the manufacture, Development, marketing or sale of Total Elbow Implants in or into the United States, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any Person except in connection with the divestiture of the Discovery Assets To Be Divested, to the Interim Monitor, if any, and to the Divestiture Trustee, if any, *provided however*, that:

1. This Paragraph III.D. shall not apply to any Confidential Business Information related to the Discovery Business that Respondents can demonstrate to the Commission that Zimmer obtained other than in connection with the Acquisition;
2. This Paragraph III.D. shall not apply to any Confidential Business Information to the extent related to Retained Products or the Retained Business;
3. This Paragraph III.D. shall not apply to the use of Confidential Business Information by Respondents to defend against legal claims brought by any Third Party, or investigations or enforcement actions by Government Entities; and
4. This Paragraph III.D. shall not apply to the use of Confidential Business Information by Respondents to the extent consented to by the Commission-Approved Acquirer;

provided, however, that Respondents shall require any Biomet employees or agents who as of the Closing Date have access to Confidential Business Information related to the Discovery Business to enter into, no later than thirty (30) days after the Closing Date, confidentiality agreements with Respondents and the Commission-Approved Acquirer not to disclose such Confidential Business Information except as set forth in this Paragraph III.D.

E. Respondents shall enter into an agreement to supply Discovery Products to the Commission-Approved Acquirer at no more than Respondents' Actual Cost for a period of time, subject to the approval of the Commission, sufficient for the Commission-Approved Acquirer to successfully manufacture Discovery Products in commercial quantities at economical costs at its own facility.

F. Respondents shall:

1. Not later than ten (10) business days after signing a Remedial Agreement related to the Discovery Assets To Be Divested provide to the proposed Commission-Approved Acquirer a list of Business Service Providers related to the Discovery Business as agreed with the proposed Commission-Approved Acquirer and approved by the Commission, and for each Business Service Provider provide the name, title and work location, and such other information as the proposed Commission-Approved Acquirer may reasonably request;
2. Provide an opportunity for six (6) months from the signing of any Remedial Agreement related to the Discovery Assets To Be Divested for the proposed Commission-Approved Acquirer: (a) to meet personally, and outside the presence or hearing of any employee or agent of Respondents, with any one or more of the Business Service Providers related to the Discovery Business; and (b) to make offers of employment to any one or more of the Business Service Providers;

3. Not interfere, directly or indirectly, with the hiring or employing by the proposed Commission-Approved Acquirer of Business Service Providers related to the Discovery Business, and shall remove any impediments or incentives within the control of Respondents that may deter these employees from accepting employment with the proposed Commission-Approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the proposed Commission-Approved Acquirer, subject to the Closing occurring and the limitations on the number and locations of the Business Service Providers contained in the Remedial Agreement as approved by the Commission. In addition, Respondents shall not make any counteroffer to a Business Service Provider who receives a written offer of employment from the proposed Commission-Approved Acquirer; and
4. Not, for a period of one (1) year following the date any Business Service Provider accepts employment or agency with the Commission-Approved Acquirer, without the Commission-Approved Acquirer's prior written consent, directly or indirectly, solicit or otherwise attempt to induce any of the Business Service Provider to terminate their employment or agency with the Commission-Approved Acquirer; *provided, however*, that Respondents may:
 - a. Advertise for employees in newspapers, trade publications or other media not targeted specifically at Business Service Providers, or
 - b. Hire Business Service Providers who apply for employment with Respondents, as long as such employees were not solicited by Respondents in violation of this Paragraph.

Provided, however, that this Paragraph shall not prohibit Respondents from making offers of employment or agency to or employing any Business Service Provider after the Closing Date where the Commission-Approved Acquirer has notified Respondents in writing that the Commission-Approved Acquirer does not intend to make an offer of employment to that Business Service Provider.

- G. Respondents shall include in any Remedial Agreement at the option of the Commission-Approved Acquirer a Transition Services Agreement, subject to the approval of the Commission, *provided however*, the term of any Transition Services Agreement shall be at the option of the Commission-Approved Acquirer, but not longer than the time sufficient for the Commission-Approved Acquirer to successfully manufacture Discovery Products in commercial quantities at economical costs at its own facility.
- H. No later than the Closing Date, Respondents shall waive any rights under any Exclusive Supplier Contracts that would prevent the Commission-Approved Acquirer from entering into a contract with the Supplier for the supply of inputs to, or accessories or instrumentation for, the Discovery Products. No later than three (3) days after the

Closing Date, Respondents shall notify in writing any Supplier that is party to an Exclusive Supplier Contract of such waiver.

- I. The purpose of the divestiture of the Discovery Assets To Be Divested to a Commission-Approved Acquirer is to create an independent, viable and effective competitor in the market for the Development, license, manufacture, marketing, distribution, and sale of Total Elbow Implants in the United States and to remedy the lessening of competition from the Acquisition as alleged in the Commission's Complaint.

IV.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) days after the Acquisition Date, Zimmer shall divest the ZUK Assets To Be Divested, absolutely and in good faith, to S&N pursuant to, and in accordance with, the S&N Agreement(s) (which agreement(s) shall not limit or contradict, or be construed to limit or contradict, the terms of this Order, it being understood that this Order shall not be construed to reduce any rights or benefits of the Commission-Approved Acquirer or to reduce any obligations of Zimmer under such agreement(s)), and each such agreement, if it becomes a Remedial Agreement, is incorporated by reference into this Order and made a part hereof;

provided, however, that if Respondents have divested the ZUK Assets To Be Divested to S&N prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that S&N is not an acceptable purchaser of the ZUK Assets To Be Divested, then Respondents shall immediately rescind the transaction with S&N, in whole or in part, as directed by the Commission, and shall divest the ZUK Assets To Be Divested within one hundred eighty (180) days from the Order Date, absolutely and in good faith, at no minimum price, to an acquirer that receives the prior approval of the Commission, and only in a manner that receives the prior approval of the Commission;

provided further, however, that if Respondents have divested the ZUK Assets To Be Divested to S&N prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that the manner in which the divestiture was accomplished is not acceptable, the Commission may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to the manner of divestiture of the ZUK Assets To Be Divested to S&N (including, but not limited to, entering into additional agreements or arrangements) as the Commission may determine are necessary to satisfy the requirements of this Order.

- B. Respondents shall secure all consents and waivers with respect to any rights expressly granted to Zimmer by Third Parties or Government Entities, or to Third Parties or Government Entities by Zimmer, from all Third Parties or Government Entities necessary for the divestiture of the ZUK Assets To Be Divested to the Commission-Approved

Acquirer, or for the continued research, Development, manufacture, distribution, marketing or sale of Unicondylar Knee Implants in the United States by the Commission-Approved Acquirer.

C. Respondents shall:

1. submit to the Commission-Approved Acquirer, at Respondents' expense, all Confidential Business Information related to the ZUK Assets To Be Divested;
2. deliver all Confidential Business Information related to the ZUK Assets To Be Divested to the Commission-Approved Acquirer:
 - a. in good faith;
 - b. in a timely manner, *i.e.*, as soon as practicable, avoiding any delays in transmission of the respective information; and
 - c. in a manner that ensures its completeness and accuracy and that fully preserves its usefulness;
3. pending complete delivery of all such Confidential Business Information to the Commission-Approved Acquirer, provide the Commission-Approved Acquirer and the Interim Monitor (if any has been appointed) with access to all such Confidential Business Information and employees who possess or are able to locate such information for the purposes of identifying the books, records, and files directly related to the ZUK Assets To Be Divested that contain such Confidential Business Information and facilitating the delivery in a manner consistent with this Order.

D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with the requirements of this Order, any Remedial Agreement, or any Law) related to the ZUK Business for the manufacture, Development, marketing or sale of Unicondylar Knee Implants in or into the United States, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any Person except in connection with the divestiture of the ZUK Assets To Be Divested, to the Interim Monitor, if any, and to the Divestiture Trustee, if any, *provided however*, that:

1. This Paragraph IV.D. shall not apply to any Confidential Business Information related to the ZUK Business that Respondents can demonstrate to the Commission that Biomet obtained other than in connection with the Acquisition;
2. This Paragraph IV.D. shall not apply to any Confidential Business Information to the extent related to Retained Products or the Retained Business;
3. This Paragraph IV.D. shall not apply to the use of Confidential Business Information by Respondents in complying with the requirements or obligations of the Laws of the United States or other countries;

4. This Paragraph IV.D. shall not apply to the use of Confidential Business Information by Respondents to defend against legal claims brought by any Third Party, or investigations or enforcement actions by Government Entities; and
5. This Paragraph IV.D. shall not apply to the use of Confidential Business Information by Respondents to the extent consented to by the Commission-Approved Acquirer;

provided, however, that Respondents shall require any Zimmer employees or agents who as of the Closing Date have access to Confidential Business Information related to the ZUK Business to enter into, no later than thirty (30) days after the Closing Date, confidentiality agreements with Respondents and the Commission-Approved Acquirer not to disclose such Confidential Business Information except as set forth in this Paragraph IV.D.

- E. Respondents shall enter into an agreement to supply ZUK Products to the Commission-Approved Acquirer at no more than Respondents' Actual Cost for a period of time, subject to the approval of the Commission, sufficient for the Commission-Approved Acquirer to successfully manufacture ZUK Products in commercial quantities at economical costs at its own facility.
- F. Respondents shall:
 1. Not later than ten (10) business days after signing a Remedial Agreement related to the ZUK Assets To Be Divested provide to the proposed Commission-Approved Acquirer a list of Business Service Providers related to the ZUK Business as agreed with the proposed Commission-Approved Acquirer and approved by the Commission, and for each Business Service Provider provide the name, title and work location, and such other information as the proposed Commission-Approved Acquirer may reasonably request;
 2. Provide an opportunity for six (6) months from the signing of any Remedial Agreement related to the ZUK Assets To Be Divested for the proposed Commission-Approved Acquirer: (a) to meet personally, and outside the presence or hearing of any employee or agent of Respondents, with any one or more of the Business Service Providers related to the ZUK Business; and (b) to make offers of employment to any one or more of the Business Service Providers;
 3. Not interfere, directly or indirectly, with the hiring or employing by the proposed Commission-Approved Acquirer of Business Service Providers related to the ZUK Business, and shall remove any impediments or incentives within the control of Respondents that may deter these employees from accepting employment with the proposed Commission-Approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the proposed Commission-Approved Acquirer, subject to the Closing occurring and the limitations

on the number and locations of the Business Service Providers contained in the Remedial Agreement as approved by the Commission. In addition, Respondents shall not make any counteroffer to a Business Service Provider who receives a written offer of employment from the proposed Commission-Approved Acquirer; and

4. Not, for a period of one (1) year following the date any Business Service Provider accepts employment or agency with the Commission-Approved Acquirer, without the Commission-Approved Acquirer's prior written consent, directly or indirectly, solicit or otherwise attempt to induce any of the Business Service Provider to terminate their employment or agency with the Commission-Approved Acquirer; *provided, however*, that Respondents may:
 - a. Advertise for employees in newspapers, trade publications or other media not targeted specifically at Business Service Providers, or
 - b. Hire Business Service Providers who apply for employment with Respondents, as long as such employees were not solicited by Respondents in violation of this Paragraph.

provided, however, that this Paragraph shall not prohibit Respondents from making offers of employment or agency to or employing any Business Service Provider after the Closing Date where the Commission-Approved Acquirer has notified Respondents in writing that the Commission-Approved Acquirer does not intend to make an offer of employment to that Business Service Provider.

- G. Respondents shall include in any Remedial Agreement at the option of the Commission-Approved Acquirer a Transition Services Agreement, subject to the approval of the Commission, *provided however*, the term of any Transition Services Agreement shall be at the option of the Commission-Approved Acquirer, but not longer than the time sufficient for the Commission-Approved Acquirer to successfully manufacture ZUK Products in commercial quantities at economical costs at its own facility.
- H. No later than the Closing Date, Respondents shall waive any rights under any Exclusive Supplier Contracts that would prevent the Commission-Approved Acquirer from entering into a contract with the Supplier for the supply of inputs to, or accessories or instrumentation for, the ZUK Products, including, but not limited to, the Materialise Contract. No later than three (3) days after the Closing Date, Respondents shall notify in writing any Supplier that is party to an Exclusive Supplier Contract of such waiver, including licensing the Zimmer Imaging Library, as defined in the Materialise Contract, as it exists as of the Closing Date to Materialize for use in making patient specific instrumentation for use with ZUK Products.
- I. The purpose of the divestiture of the ZUK Assets To Be Divested to a Commission-Approved Acquirer is to create an independent, viable and effective competitor in the market for the development, license, manufacture, marketing, distribution, and sale of

Unicondylar Knee Implants in the United States and to remedy the lessening of competition from the Acquisition as alleged in the Commission's Complaint.

V.

IT IS FURTHER ORDERED that:

- A. At any time after Respondents sign the Consent Agreement in this matter, the Commission may appoint an Interim Monitor to assure that Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by this Order and the Remedial Agreement(s).
- B. The Commission shall select the Interim Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of a proposed Interim Monitor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Interim Monitor, Respondents shall be deemed to have consented to the selection of the proposed Interim Monitor.
- C. Not later than ten (10) days after the appointment of the Interim Monitor, Respondents shall execute an agreement that, subject to the prior approval of the Commission, confers on the Interim Monitor all the rights and powers necessary to permit the Interim Monitor to monitor Respondents' compliance with the relevant requirements of this Order in a manner consistent with the purposes of this Order.
- D. If an Interim Monitor is appointed, Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Interim Monitor:
 - 1. The Interim Monitor shall have the power and authority to monitor Respondents' compliance with the divestiture and related requirements of this Order, and shall exercise such power and authority and carry out the duties and responsibilities of the Interim Monitor in a manner consistent with the purposes of this Order and in consultation with the Commission.
 - 2. The Interim Monitor shall act in a fiduciary capacity for the benefit of the Commission.
 - 3. The Interim Monitor shall serve at least until the latter of (i) the end of the last supply agreement entered into pursuant to Paragraphs II.E., III.E., and IV.E. of this Order, and (ii) the end of the last Transition Services Agreement entered into pursuant to Paragraph II.G., III.G., and IV.G. of this Order.
- E. Subject to any demonstrated legally recognized privilege, the Interim Monitor shall have full and complete access to Respondents' personnel, books, documents, records kept in

the normal course of business, facilities and technical information, and such other relevant information as the Interim Monitor may reasonably request, related to Respondents' compliance with its obligations under this Order, including, but not limited to, its obligations related to the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, and the ZUK Assets To Be Divested. Respondents shall cooperate with any reasonable request of the Interim Monitor and shall take no action to interfere with or impede the Interim Monitor's ability to monitor Respondents' compliance with this Order.

- F. The Interim Monitor shall serve, without bond or other security, at the expense of Respondents, on such reasonable and customary terms and conditions as the Commission may set. The Interim Monitor shall have authority to employ, at the expense of Respondents, such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities.
- G. Respondents shall indemnify the Interim Monitor and hold the Interim Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Interim Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from malfeasance, gross negligence, willful or wanton acts, or bad faith by the Interim Monitor.
- H. Respondents shall report to the Interim Monitor in accordance with the requirements of this Order and/or as otherwise provided in any agreement approved by the Commission. The Interim Monitor shall evaluate the reports submitted to the Interim Monitor by Respondents, and any reports submitted by the Commission-Approved Acquirer, with respect to the performance of Respondents' obligations under this Order or the Remedial Agreement. Within thirty (30) days from the date the Interim Monitor receives these reports, the Interim Monitor shall report in writing to the Commission concerning performance by Respondents of their obligations under this Order.
- I. Respondents may require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; provided, however, that such agreement shall not restrict the Interim Monitor from providing any information to the Commission.
- J. The Commission may, among other things, require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Interim Monitor's duties.

- K. If the Commission determines that the Interim Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Interim Monitor in the same manner as provided in this Paragraph.
- L. The Commission may on its own initiative, or at the request of the Interim Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Order.
- M. The Interim Monitor appointed pursuant to this Order may be the same Person appointed as a Divestiture Trustee pursuant to the relevant provisions of this Order.

VI.

IT IS FURTHER ORDERED that:

- A. If Respondents have not fully complied with the obligations to divest the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested as required by this Order, the Commission may appoint a trustee (“Divestiture Trustee”) to divest the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to divest the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Respondents to comply with this Order.
- B. The Commission shall select the Divestiture Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Divestiture Trustee shall be a Person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Divestiture Trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Divestiture Trustee, Respondents shall be deemed to have consented to the selection of the proposed Divestiture Trustee.
- C. Not later than ten (10) days after the appointment of a Divestiture Trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to effect the divestiture required by this Order.

- D. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Paragraph, Respondents shall consent to the following terms and conditions regarding the Divestiture Trustee's powers, duties, authority, and responsibilities:
1. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to divest the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be.
 2. The Divestiture Trustee shall have one (1) year after the date the Commission approves the trust agreement described herein to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the one (1) year period, the Divestiture Trustee has submitted a plan of divestiture or believes that the divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court appointed Divestiture Trustee, by the court; provided, however, the Commission may extend the divestiture period only two (2) times.
 3. Subject to any demonstrated legally recognized privilege, the Divestiture Trustee shall have full and complete access to the personnel, books, records and facilities related to the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be, and to any other relevant information, as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court.
 4. The Divestiture Trustee shall use commercially reasonable efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. The divestiture shall be made in the manner and to an Acquirer as required by this Order; *provided, however*, if the Divestiture Trustee receives bona fide offers from more than one acquiring Person, and if the Commission determines to approve more than one such acquiring Person, the Divestiture Trustee shall divest to the acquiring Person selected by Respondents from among those approved by the Commission; *provided further, however*, that Respondents shall select such Person within five (5) days after receiving notification of the Commission's approval.
 5. The Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as

- the Commission or a court may set. The Divestiture Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are reasonably necessary to carry out the Divestiture Trustee's duties and responsibilities. The Divestiture Trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at the direction of Respondents, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a commission arrangement contingent on the divestiture of the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be.
6. Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from malfeasance, gross negligence, willful or wanton acts, or bad faith by the Divestiture Trustee.
 7. The Divestiture Trustee shall have no obligation or authority to operate or maintain the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be; *provided, however*, that the Divestiture Trustee appointed pursuant to this Paragraph may be the same Person appointed as Interim Monitor pursuant to the relevant provisions of this Order.
 8. The Divestiture Trustee shall report in writing to Respondents and to the Commission every sixty (60) days concerning the Divestiture Trustee's efforts to accomplish the divestiture.
 9. Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; provided, however, such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
- E. If the Commission determines that a Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph.
 - F. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue such additional

orders or directions as may be necessary or appropriate to accomplish the Divestiture required by this Order.

VII.

IT IS FURTHER ORDERED that:

- A. Any Remedial Agreement shall be deemed incorporated into this Order.
- B. Any failure by Respondents to comply with any term of such Remedial Agreement shall constitute a failure to comply with this Order.
- C. Respondents shall include in each Remedial Agreement a specific reference to this Order, the remedial purposes thereof, and provisions to reflect the full scope and breadth of each Respondent's obligation to the Acquirer pursuant to this Order.
- D. Respondents shall not seek, directly or indirectly, pursuant to any dispute resolution mechanism incorporated in any Remedial Agreement, or in any agreement related to the Cobalt Assets To Be Divested, the Discovery Assets To Be Divested, or the ZUK Assets To Be Divested, as the case may be, a decision the result of which would be inconsistent with the terms of this Order or the remedial purposes thereof.
- E. Respondents shall not modify or amend any of the terms of any Remedial Agreement without the prior approval of the Commission, except as otherwise provided in Rule 2.41(f)(5) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(5). Notwithstanding any term of the Remedial Agreement(s), any modification or amendment of any Remedial Agreement made without the prior approval of the Commission, or as otherwise provided in Rule 2.41(f)(5), shall constitute a failure to comply with this Order.

VIII.

IT IS FURTHER ORDERED that:

- A. Within five (5) days of the Acquisition, Respondents shall submit to the Commission a letter certifying the date on which the Acquisition occurred.
- B. Within thirty (30) days after the Order Date, and every thirty (30) days thereafter until Respondents have fully complied with Paragraphs II.A., II.C., III.A., III.C., IV.A. and IV.C of this Order, and every sixty (60) days thereafter until Respondents have fully complied with the Paragraphs II.E., II.F., II.G., III.E., III.F., III.G., IV.E., IV.F. and IV.G. of this Order, Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with this Order. Respondents shall submit at the same time a copy of their report concerning compliance with this Order to the Interim Monitor,

if any Interim Monitor has been appointed. Respondents shall include in their reports, among other things that are required from time to time:

1. A full description of the efforts being made to comply with the relevant Paragraphs of this Order;
2. A detailed plan to deliver all Confidential Business Information required to be delivered to the Commission-Approved Acquirer pursuant to Paragraph II.C., III.C., and IV.C. and agreed upon by the relevant Commission-Approved Acquirer and the Interim Monitor (if applicable) and any updates or changes to such plan;
3. A description of all Confidential Business Information delivered to the Commission-Approved Acquirer, including the type of information delivered, method of delivery, and date(s) of delivery;
4. A description of the Confidential Business Information currently remaining to be delivered and a projected date(s) of delivery; and
5. A description of all technical assistance provided to the Commission-Approved Acquirer during the reporting period.

IX.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed (1) dissolution of a Respondent; (2) acquisition, merger or consolidation of Respondents; or (3) other change in the Respondents that may affect compliance obligations arising out of this Order, including, but not limited to, assignment, the creation or dissolution of subsidiaries, or any other change in Respondents.

X.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and with reasonable notice to Respondents made to their principal United States offices, Respondents shall permit any duly authorized representative of the Commission:

- A. Access, during office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession or under the control of Respondents related to compliance with this Order; and
- B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of the Respondents, who may have counsel present, regarding such matters.

XI.

IT IS FURTHER ORDERED that this Order shall terminate ten years from the Order Date.

By the Commission.

Donald S. Clark
Secretary

ISSUED:

SEAL

Non-Public Appendix A

DJO Agreement

Non-Public Appendix B

S&N Agreement