FILED

NOV 03 2014

BRIAN R. MARTINOTTI
J.S.C.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: BERGEN COUNTY

IN RE Stryker Rejuvenate & ABG II

Modular Hip Implant LITIGATION

CASE NO. 296
MASTER DOCKET NO. BER-L-936-13

CIVIL ACTION

ORDER AIDING PRIVATE SETTLEMENT
All prior orders remain in full force and effect except as modified by this Order

This Matter having been assigned to the Honorable Brian R. Martinotti, J.S.C. pursuant to the Supreme Court's Order of January 24, 2013, designating this matter for Multicounty Litigation Status ("MCL") of Stryker Rejuvenate and ABG II Modular Hip Implant Litigation (hereinafter referred to as "Stryker") [a Multidistrict Litigation ("MDL") pending before the Honorable Donovan W. Frank, USDJ], the New Jersey Multi-County Litigation Plaintiffs' Steering Committee, the MDL Plaintiffs' Co-Lead Counsel and Stryker having entered into a final Settlement Agreement reflecting a proposed private settlement of certain Stryker Rejuvenate Modular and ABG II Modular Hip Stem cases.

Under the provisions of the final Settlement Agreement, the Parties have identified and appointed a Claims Administrator and Special Masters to assist in the administration and implementation of certain terms of the settlement with the authority of binding arbitrators. The Court, pursuant to its inherent authority and having considered the consent of the Parties as to the appointment of the Claims Administrator and Special Masters, and cognizant of the important public policy of encouraging settlement among litigating parties, hereby issues the following Order:

IT IS on this 3rd day of November 2014,

ORDERED,

1. Appointment of Claims Administrator and Special Masters: With the consent of the parties, the Court hereby appoints the following individuals as Claims Administrator and Special Masters named below to perform the duties consented to by the Parties and set forth in the Settlement Agreement, as set forth under the terms of this Order:

a. Claims Administrator:

Hon. Diane Welsh (Ret.)
JAMS
1717 Arch Street
Philadelphia, Pennsylvania 19103

b. Special Masters:

Hon. Arthur J. Boylan (Ret.)
310 4th Avenue S.
Minneapolis, Minnesota 55415

Hon. C. Judson Hamlin (Ret.)
57 Paterson Street
New Brunswick, New Jersey 08901

Edgar C. Gentle, III, Esq.
Gentle, Turner, Sexton, Debrosse & Harbsion
501 Riverchase Parkway East, Suite 100
Hoover, Alabama 35244

2. Special Masters and Claims Administrator Duties: The duties of the Special Masters and Claims Administrator are set forth in the Settlement Agreement. A purpose of this Order is to provide notice to all parties and their counsel of the availability of the Special Masters to assist in the informed consent process and to be available to answer questions with the Settlement Oversight Committee ("SOC") regarding the terms and conditions of the Settlement Program. Specifically, the Claims Administrator and Special Masters shall fully

perform the duties as set forth below, which are consented to by the Parties, and as set forth in the Settlement Agreement, including but not limited to:

a. Special Masters: The duties of the Special Masters under this Order, as set forth in the Settlement Agreement, shall include but are not limited to the following: (i) assist the SOC and other counsel with the informed consent process, including answering both general and specific questions with respect to the settlement program; (ii) provide a report to Howmedica Osteonics Corp. ("HOC"), at its request, with respect to the status of the informed consent process and participation in the Settlement Program; and (iii) perform such other activities as set forth in the Settlement Agreement.

b. Claims Administrator: The duties of the Claims Administrator shall be to supervise and administer the private Settlement Program, and perform such other activities as set forth in the Settlement Agreement.

3. *Ex Parte* Communications: The Claims Administrator and Special Masters may have *ex parte* communications with each other, HOC and its counsel, members of the SOC, the Parties, the Claimants or their representatives, Claimants' counsel or the Court when necessary for the full and fair implementation of this Order and the Settlement Agreement without violating any attorney-client privilege.

4. Determinations under the Settlement Agreement: Pursuant to the terms of the Settlement Agreement and the consent of all eligible claimants who enroll under the resolution process created by the Settlement Program, all determinations and awards with respect to the claims processed under the Settlement Program by the Claims Administrator

and Special Masters shall be in writing and, as agreed by the Parties and Claimants, shall be made with the authority and effect of an arbitrator making decisions that are binding and final. All determinations and awards with respect to individual claims processed under the Settlement Program are limited to the review procedures set forth in the Settlement Agreement and are not subject to judicial review.

5. Review of Orders and Findings: The private Settlement Program is intended by the Parties to be self-executing pursuant to the consent of the Parties and the participating Claimants and their counsel, and is not subject to judicial review.

6. Compensation: The Claims Administrator and Special Masters shall be compensated privately as specified in the Settlement Agreement, and pursuant to the agreement of the Parties.

7. Reports to Court: The Claims Administrator shall provide periodic reports to the Court as necessary, or by special request by the Court, reporting on the general status of the Settlement Program or on any other matter the Court deems necessary and appropriate.

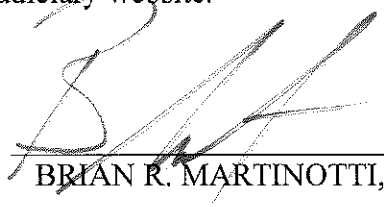
8. Qualified Settlement Funds: The Court also determines that the Escrow Accounts and Sub-funds established pursuant to the Settlement Agreement and related Escrow Agreement are Qualified Settlement Funds within the meaning of Treasury Regulation Section 1.468B-1.

9. Stay of Litigation: Upon the Court's own motion, discovery in this litigation shall be stayed until September 1, 2015, unless otherwise ordered or agreed.

10. Pursuant to the Settlement Agreement, by enrolling in the Settlement, individuals whose claims were filed in this Court prior to the Execution Date and individuals who are represented by attorneys who have only filed claims in the MCL Court agree to a ½ % cost assessment of their gross recovery which shall be used to pay for portions of the lien administration expenses, agreed upon costs associated with the Special Masters and Claims Administrator, the cost for establishment of a Qualified Settlement Fund and to reimburse counsel of the MCL Plaintiffs' Steering Committee and its sub-committees for costs and fees its members incurred in litigating and working to reach this settlement. Based upon said consent, and the necessity to properly effectuate the settlement by paying the agreed upon share of administrative costs associated with the Special Masters, Claim Administrator, lien resolution and Qualified Settlement Fund, and the equities in reimbursing the leadership of this litigation who have incurred substantial costs in funding the litigation such as transcripts, electronic document repository, expert and medical research costs, travel, and mediation fees, it is hereby ordered that a one-half percent costs assessment of each settlement's gross recovery be imposed and set aside for reimbursement of costs. Prior to said reimbursement, an accounting shall be provided to and reviewed by this Court. To the extent funds remain from the cost assessment set-aside after the approved costs are reimbursed, the per case balance shall be remitted to the respective plaintiffs.

11. All interested parties are directed to the official settlement program website for additional information and updates. The official settlement program website is: www.StrykerModularHipSettlement.com.

12. A copy of this Order will be posted on the Judiciary website.



BRIAN R. MARTINOTTI, J.S.C.