

**WRIGHT MEDICAL GROUP N.V.**  
**BOARD OF DIRECTORS COMPENSATION POLICY**

This Board of Directors Compensation Policy (this “Policy”) was approved by the general meeting of the shareholders of Wright Medical Group N.V. (formerly known as Tornier N.V.) (the “Company”) on August 26, 2010 and amended on October 28, 2010, and shall become effective as of the effective date of an initial underwritten public offering of the Company’s equity securities pursuant to an effective Form S-1 registration statement filed under the Securities Act of 1933, as amended.

**I. GENERAL**

The purpose of the Policy is to define a competitive compensation package, designed to attract, retain, and motivate appointees to the Board of Directors of the Company (the “Board of Directors”), who possess the necessary leadership qualities and the requisite skills and experience in the various facets of the Company’s business. In this way, the Policy aims to drive strong business performance, promote accountability, assure that directors’ interests are closely aligned to those of the Company’s shareholders, and to incentivize the Company’s directors to achieve short- and long-term performance goals with the objectives of substantially increasing the Company’s equity value. This Policy is intended to ensure the overall market competitiveness of the Company’s director compensation practices while providing the Board of Directors with enough flexibility to tailor its compensation practices on a case by case basis.

In order to determine the Company’s overall market competitiveness, the Company’s director compensation will be reviewed periodically to compare the Company’s practices with market practice in the United States for board members of peer companies of a size and complexity comparable to the Company. The Company will target director compensation in the market median range of its peer companies, though the Company may deviate from the median if it determines necessary or appropriate on a case by case basis.

Prior to making any changes to a director’s compensation, the Company shall consider what, if any, actions need to be taken to prevent conflicts of interest. Such actions may include, without limitation, recusing a director from the portion of any meeting in which his or her compensation is discussed, obtaining independent advice from compensation consultants or counsel on the appropriate levels of compensation, and delegating the authority to make recommendations on director compensation to the Compensation Committee. The Compensation Committee shall recommend to the Board of Directors changes to the Company’s director compensation packages from time to time in a manner consistent with this Policy.

**II. COMPENSATION PACKAGE OF THE BOARD OF DIRECTORS**

1. The Executive Directors and Chief Executive Officer

The compensation packages for the Company’s Chief Executive Officer and other members of the Board of Directors who also serve as executive officers of the Company

(collectively, the “Executive Directors”) shall be determined by the non-executive members of the Board of Directors in accordance with this Policy, based upon recommendations from the Compensation Committee. The Compensation Committee may take into account pre-existing arrangements between the Company and the Executive Directors in determining the appropriate compensation levels. The Company may, from time to time, enter into employment or similar arrangements with its Executive Directors, as it determines necessary of appropriate. The compensation package for the Executive Directors shall be reviewed periodically by the Compensation Committee and the non-executive members of the Board of Directors in accordance with the Company’s internal policies (including this Policy).

In determining the appropriate levels of compensation for the Executive Directors, the non-executive members of the Board of Directors (and the Compensation Committee) shall take into account industry standards and pre-existing arrangements. Generally, it is expected that the compensation for the Executive Directors will include some or all of the following components, though nothing in this Policy shall be deemed to prohibit the non-executive members of the Board of Directors from determining to include other components in an Executive Director’s compensation package:

- A fixed component: gross annual base salary;
- A variable component:
  - An annual bonus of up to a specified percentage of gross annual base salary based upon the achievement of specified individual, Company-wide, and/or business unit performance goals established by the Compensation Committee in consultation with the non-executive members of the Board of Directors; and
  - Grants of stock options, stock awards, or other equity compensation, generally linked to the attainment of defined and measurable objectives;
- Severance pay upon termination of employment.

#### **A. Gross Annual Base Salary**

The gross annual base salary shall be subject to review annually by the Compensation Committee in light of the Executive Directors’ performance and as well as the Company’s performance, changes in compensation benchmarks, industry standards, and/or inflation. The Compensation Committee may propose a reasonable salary increase or decrease, if any, for approval to the non-executive members of the Board of Directors.

#### **B. Annual Bonus**

The Executive Directors may be eligible for bonuses calculated as a percentage of their gross annual base salaries. The payment of any such bonus shall be contingent upon the attainment of defined goals, which shall be identified by the Compensation Committee to further both the short-term objectives and long-term growth of the

Company. These goals shall be set at the beginning of each year by the Compensation Committee in consultation with the non-executive members of the Board of Directors. The extent to which the Executive Director has achieved these goals shall be determined by the Compensation Committee in the course of the annual review and the amount of the bonus payment consequently proposed shall be submitted for approval to the non-executive members of the Board of Directors. The bonuses may be paid in cash, stock or deferred at the discretion of the non-executive members of the Board of Directors.

### **C. Equity Compensation**

The Executive Directors may be eligible for grants of stock options, restricted shares, or other equity compensation. In order to correlate executive compensation to the creation of shareholder value, the Executive Directors shall be eligible for participation in the then-current equity compensation plan (the “Plan”) of the Company, which shall set forth the appropriate terms and conditions under which awards shall be granted. The Compensation Committee may nominate any Executive Directors for grants of options, stock awards, or other equity compensation, determining the number of options or shares to be granted, if any, and the relative terms and conditions of grant, all in accordance with the Plan. Each such grant shall be subject to approval of the non-executive members of the Board of Directors. The non-executive members of the Board of Directors may subject the equity awards to any conditions as it determines appropriate, including subjecting the awards to vesting.

### **D. Severance Pay**

The Executive Directors may be eligible for severance pay upon termination of employment by the Company under the terms of their individual employment agreements or as otherwise determined by the non-executive members of the Board of Directors from time to time. The right to receive severance may be conditioned upon the Executive Director executing (and not revoking) a general release in favor of the Company and its affiliates and the Executive Director continuing to comply with the any restrictive covenants (noncompete, nonsolicit, nondisparage, confidentiality, etc.) to which he or she may be subject.

### **E. Director Fees**

The Executive Directors may be eligible for additional compensation for acting as a member of the Board of Directors of the Company (or any other position thereon) or as a director or officer of any subsidiary of the Company, including gross annual fees or standard gross attendance fees per board or committee meeting, as determined by the non-executive members of the Board of Directors from time to time. Upon presentation of properly documented expense claims, the Executive Directors shall be entitled to reimbursement by the Company of out-of-pocket expenses wholly, exclusively, and necessarily incurred to attend board, committee, or shareholder meetings and fulfill related duties.

## 2. The Non-Executive Directors

The compensation packages for the Company's non-executive members of the Board of Directors shall be determined by the Board of Directors in accordance with the Company's internal policies (including this Policy), based upon recommendations from the Compensation Committee. In determining the appropriate levels of compensation for the non-executive members of the Board of Directors, the Board of Directors (and the Compensation Committee) shall take into account industry standards. The Company will target compensation for its non-executive directors in the market median range of its peer companies, though the Company may deviate from the median if it determines necessary or appropriate on a case by case basis.

Prior to making any changes to a director's compensation, the Company shall consider what, if any, actions need to be taken to prevent conflicts of interest. Such actions may include, without limitation, recusing a director from the portion of any meeting in which his or her compensation is discussed, obtaining independent advice from compensation consultants or counsel on the appropriate levels of compensation, and delegating the authority to make recommendations on director compensation to the Compensation Committee.

Generally, it is expected that the compensation for the non-executive members of the Board of Directors will include some or all of the components, though nothing in this Policy shall be deemed to prohibit the Board of Directors from determining to include other components in a non-executive member's compensation package:

- A fixed component, such as gross annual fees; or
- A variable component:
  - A standard gross attendance fee per board or committee meeting, which shall be additional to and not in lieu of reimbursement of out-of-pocket expenses; or
  - Grants of stock options, stock awards, or other equity compensation, generally linked to the attainment of defined and measurable objectives.

### A. **Fees**

Any gross annual fees shall be paid in quarterly installments and any gross attendance fees shall be paid quarterly. The fees paid to non-executive directors shall be evaluated periodically by the Compensation Committee and, under the terms of this Policy, may be adjusted in line with changes in compensation benchmarks or industry standards.

### B. **Reimbursement of Expenses**

Upon presentation of properly documented expense claims, all non-executive members of the Board of Directors shall be entitled to reimbursement by the Company of

out-of-pocket expenses wholly, exclusively, and necessarily incurred to attend board, committee, or shareholder meetings and fulfill related duties.

### C. **Equity Compensation**

In keeping with United States market practice, the compensation of non-executive directors may include an equity compensation component. The non-executive directors may be eligible for participation in the Plan and may be nominated for an initial grant of options, stock awards, or other equity compensation approved by the Board of Directors in accordance with this Policy. Thereafter, the Compensation Committee may nominate the non-executive directors for grants of options, stock awards, or other equity compensation, determining the number of options or shares to be granted, if any, and the relative terms and conditions of grant, all in accordance with the Plan. Each such grant shall be subject to the prior approval of the Board of Directors. The Board of Directors may subject the equity awards to any conditions as it determines appropriate, including subjecting the awards to vesting.

### III. **OTHER**

The Company shall not grant or arrange loans to any of the members of its Board of Directors.

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*A copy of this Policy will be made available on the Company's website at [www.wright.com](http://www.wright.com). Copies of this Policy are also available in print to any shareholder who otherwise requests a copy. Shareholders may request such information by writing to: Wright Medical Group N.V., Attention: Corporate Secretary, Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.*

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