

**SULZER SETTLEMENT TRUST
CLAIMS ADMINISTRATOR PROCEDURE**

CAP No.	7	Effective Date	July 29, 2002
SUBJECT	Application of Advances or Other Payments Made by Sulzer to Reduce Class Member Benefits		

1. **Purpose.** The Class Action Settlement Agreement in *In re Sulzer Hip Prosthesis and Knee Prosthesis Product Liability Litigation* ("Settlement Agreement") provides for the reduction, subject to certain limitations provided in the Settlement Agreement, of Class Member benefits owed under Sections 3.4(a), 3.5, 3.7 and 3.9(a) to the extent that Sulzer has made any advance or other payments to any Class Member prior to the Insurance Proceeds Delivery Date ("Advance"). [SA § 3.6(d)]. The purpose of this Claims Administration Procedure ("CAP") is to set forth the process for applying these reductions to Class Member benefits. Capitalized terms not otherwise defined in this CAP have the meaning given them in the Settlement Agreement.

2. **Determination of Advances or Other Payments Made by Sulzer.** Within five business days of the Effective Date of this CAP, Sulzer shall provide to the Claims Administrator a notice identifying by last name, first name, last known address and, if available, Social Security Number, the Class Members to whom Sulzer has made Advances, the date of such Advances, and the amount of such Advances. When the Claims Administrator makes and notifies the Class Member of his Preliminary Determination under Sections 4.6(c) and 4.6(d), he will notify the Class Member that his/her benefits under Sections 3.4(a), 3.5, 3.7 and 3.9(a) will be reduced by any such Advance.

3. **Dispute by Class Member Prior to Final Determination.** If a Class Member disputes, in a contest under Section 4.6(d), that he/she received an Advance, the Claims Administrator shall notify Sulzer that it must establish proof of such an Advance within thirty days, by providing to the Claims Administrator the cancelled check or such other evidence that the Claims Administrator deems appropriate. The Claims Administrator shall provide a copy of such tendered evidence to the Class Member when he notifies him/her of his Final Determination. If the Claims Administrator does not receive timely and sufficient evidence of Sulzer's Advance, the Claims Administrator shall not apply the Advance to the Class Member's Final Determination of benefits.

4. **No Dispute by Class Member Prior to Final Determination.** If a Class Member does not dispute, in a contest under Section 4.6(d), that Sulzer has paid to him/her the Advance identified in his/her Preliminary Determination, at such time as the Claims Administrator issues a Final Determination, he shall again notify the Class Member that his or her benefits will be reduced as set forth in Section 3.6(d) of the Settlement Agreement.

5. **Dispute by Class Member on Appeal from Final Determination.** If a Class Member disputes, in an appeal under Sections 4.6(f-g) of the Settlement Agreement, that he/she received the Advance identified in his/her Final Determination, the Claims Administrator shall immediately notify counsel for Sulzer that it must, if it has not previously done so, establish

proof of payment by providing to the Claims Administrator the cancelled check or other such evidence that the Claims Administrator deems appropriate. If the Claims Administrator does not receive sufficient evidence of Sulzer's Advance within the time period provided in the Settlement Agreement for the Claims Administrator to respond to the Class Member's notice of appeal, the Claims Administrator shall concede on appeal the Class Member's challenge to the deduction of the Advance from his/her Final Determination.

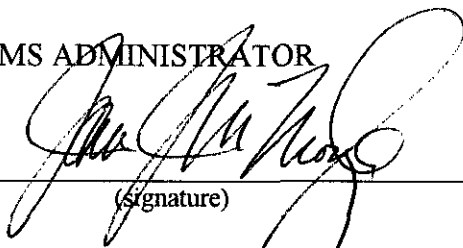
6. *Reduction of Class Member Benefits.* If a Class Member does not dispute the Advance identified in the Class Member's Preliminary and/or Final Determination, or if Sulzer provides sufficient evidence of its Advance, the Claims Administrator shall reduce the Class Member's payment of benefits by the amount Sulzer paid to the Class Member as an Advance, provided that, with respect to an APR who is to be paid benefits from the Affected Product Revision Surgery Fund [SA § 3.4(a)], any payment to the Class Member will not be reduced to an amount less than \$100,000.

7. *Sulzer as Signatory to this CAP.* Because this CAP imposes obligations on Sulzer, the signature of Sulzer's duly authorized representative shall bind Sulzer to the terms of this CAP, subject to the limitations in CAP No. 1 ("Establishment of System for Creating and Tracking Sulzer Settlement Trust Claims Administrator Procedures") and paragraph 8 of this CAP.

8. *Duration of this CAP.* This CAP shall apply from the Effective Date stated above and shall terminate upon the earlier of: (i) cancellation or modification of this CAP by the Claims Administrator; or (ii) an order of the Court canceling or modifying the terms of this CAP.

APPROVED:

CLAIMS ADMINISTRATOR

By: 


(signature)

Name: James J. McMonagle

(printed or typed)

Date: July 10, 2002

CLASS COUNSEL

By: 

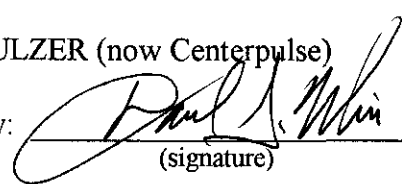
(signature)

Name: R. Eric Kennedy

(printed or typed)

Date: July 10, 2002

SULZER (now Centerpulse)

By: 

(signature)

Name: David S. Wise

(printed or typed)

Date: July 29, 2002
