

## **WRIGHT MEDICAL GROUP, INC. AUDIT COMMITTEE CHARTER**

### **Purpose**

The purpose of the Audit Committee (the "Committee") is to oversee the accounting and financial reporting processes of Wright Medical Group, Inc. (the "Company") and the audits of the Company's financial statements. In furtherance of this purpose, the Committee shall assist the Board of Directors (the "Board") in fulfilling its responsibility to oversee (i) the integrity of the Company's financial reporting processes, financial statements and related disclosures and internal controls, (ii) the qualifications, independence, and performance of the Company's independent auditor, (iii) the performance of the Company's internal auditing function, and (iv) the Company's compliance with applicable legal, ethical and regulatory requirements as they relate to the Company's (x) financial statements, (y) financial reporting processes and obligations, and (z) accounting functions, internal accounting controls and auditing functions (collectively, "Financial Matters").

### **Composition and Qualifications**

The Committee shall consist of at least three directors. The members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating, Compliance and Governance Committee of the Board. The Chairman of the Committee shall be appointed by the Board upon recommendation of the Nominating, Compliance and Governance Committee. In the absence of the Committee Chairman at any meeting of the Committee, the members of the Committee may designate a chairman for such meeting by majority vote. The Board may remove one or more directors as members of the Committee upon the recommendation of the Nominating, Compliance and Governance Committee.

The members of the Committee shall meet the independence, experience, financial literacy, and other requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act of 2002 ("SOX"), the rules and regulations of the Securities and Exchange Commission (the "Commission"), the rules of the Nasdaq Stock Market ("NASDAQ") and any other applicable laws and regulations. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the prior three years. Each member of the Committee should be able to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement. At least one member of the Committee shall have past employment experience or currently be employed in finance or accounting, certified in accounting, or have other comparable experience or a background that results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. At least one member of the Committee shall be an "audit committee financial expert" as defined by the Commission. Committee members are encouraged to participate in relevant and appropriate self-study education to assure understanding of important financial and operating topics as well as the business and environment in which the Company operates.

A Committee member shall not simultaneously serve on the audit committees of more than three other public companies, unless the Board specifically determines that it would not impair the ability of the Committee member to effectively serve on the Board. Prospective Committee members should carefully evaluate existing time demands before accepting Committee membership.

### **Meetings**

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically, but no less frequently than quarterly, in an executive session with only Committee members. The Committee shall meet periodically, but no less frequently than quarterly, with management, the independent auditor, and the head of the internal auditing department in separate executive sessions. The Committee may request any directors, officers or employees of the Company, the Company's independent auditor, or other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee or to meet with any of its members or advisors. The

Committee shall maintain minutes of its meetings and activities and shall make regular reports of its meetings to the Board.

The Committee Chairman shall be responsible for presiding over Committee meetings, preparing Committee agendas and determining the informational needs of the Committee, with input from Committee members. Written materials should be provided to Committee members at least 48 hours in advance of a meeting date, to the extent possible, to allow adequate time for Committee members to review the information. The Chairman of the Committee or a majority of the Committee members may call meetings of the Committee at any time and for any reason. The notice of meeting need not include specified agenda items and must be provided to the Committee members no less than 24 hours prior to any meeting. Attendance at any meeting of the Committee shall constitute a waiver of the notice requirement by such member. The Committee shall strive to meet in person as frequently as practicable; however, when an in-person meeting is not feasible or practical, meetings may be held using any form of communications equipment, so long as all directors can communicate with each other in real-time, including but not limited to via conference call, email, instant messaging or otherwise over the Internet, and participating via such means of communication shall constitute presence at such meeting. A majority of the Committee members present at a meeting will constitute a quorum for the transaction of Committee business at such meeting, and the vote of a majority of the Committee members present at a meeting at which a quorum is present will be the act of the Committee, unless in either case a greater number is required by applicable law or the Company's articles of incorporation or bylaws. Additionally, the Committee may act by unanimous written consent of all Committee members, or by unanimous consent evidenced by any other form of communication, whether or not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

### **Authority and Responsibilities**

The Committee shall have the sole authority to appoint or replace the independent auditor. The independent auditor shall report directly to the Committee. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

The Committee shall preapprove all audit services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the exception for *de minimis* non-audit services described in Section 10A(i)(1)(B) of the Exchange Act and Rule 2-01(c)(7)(i)(C) of Regulation S-X which are approved by the Committee prior to the completion of the audit. The Committee may review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax and/or internal control services to be approved, as well as the potential effects of the provision of such services on the auditor's independence. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that the decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall obtain from the independent auditors annually a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (i) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements; (ii) assurance and related services not included in clause (i) of this paragraph that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service; (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (iv) all other products and services rendered by the independent auditors, in the aggregate and by each service.

At all times, the Committee shall have the authority and ability to conduct investigations with access to all books, records, facilities and personnel of the Company and its subsidiaries. The Committee shall have the authority, to the extent that it deems necessary or appropriate to carry out its duties, to retain independent legal, accounting or other advisors. The Company shall provide appropriate funding, as determined by the Committee, for the payment of compensation to any independent auditor engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company, compensation to any advisors employed by the Committee, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its responsibilities.

In addition, the Committee, to the extent that it deems necessary or appropriate, shall:

#### Oversight of Financial Statements and Related Disclosures

1. Prior to the filing of the Company's quarterly report on Form 10-Q, review and discuss with management and the independent auditor the Company's quarterly financial statements (including the results of the independent auditor's review of the financial statements) and the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the quarterly report.
2. Prior to the commencement of the audit of the Company's annual financial statements, review and discuss with the independent auditor the scope, schedule, and staffing of the audit.
3. Prior to the filing of the Company's annual report on Form 10-K:
  - (a) review and discuss with management and the independent auditor the Company's audited annual financial statements (including the results of the independent auditor's audit of the financial statements) and the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the annual report;
  - (b) recommend to the Board whether the audited annual financial statements should be included in the annual report; and
  - (c) review and discuss with management its annual report on the Company's internal control over financial reporting and with the independent auditor its audit report on the Company's internal control over financial reporting.
4. Discuss with the independent auditor all matters required to be communicated to the Committee under auditing standards adopted by the PCAOB, including the judgments of the independent auditor with respect to the quality, not just the acceptability, of the Company's accounting principles and underlying estimates in the financial statements.
5. Discuss with management and the independent auditor the significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls, and any special steps adopted in light of material internal control deficiencies or weaknesses.
6. Review and discuss with management and the independent auditor the reports from the independent auditor covering:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and

- (c) other material written communications between the independent auditor and management, including any engagement letter, management representation letter, schedule of unadjusted audit differences, listing of adjustments and reclassifications not recorded, report on observations and recommendations on internal controls, and management's response to any such letter or report.
7. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 100, as amended by AU Section 380, as adopted by the Public Company Accounting Oversight Board ("PCAOB"), including any difficulties with management encountered in performing the audit (such as restrictions on the scope of the independent auditor's activities or on its access to requested information, any changes required in the planned scope of the audit, or any attempt by management to improperly influence the independent auditor) and any significant disagreements with management over the application of accounting principles, the basis for management's accounting estimates, and the disclosures in the financial statements.
  8. Discuss with the independent auditor any material communications between the audit engagement team and the independent auditor's national office regarding auditing or accounting issues presented by the engagement.
  9. Discuss with management and the independent auditor the Company's disclosure controls and procedures and its internal control over financial reporting, including management's most recent evaluation, with the participation of the Company's chief executive officer and chief financial officer, of (a) the effectiveness of the disclosure controls and procedures as of the end of each fiscal quarter, (b) the effectiveness of the internal control over financial reporting as of the end of each fiscal year, and (c) any change in the internal control over financial reporting that occurred during each fiscal quarter that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.
  10. Discuss with management and the independent auditor (a) any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting, in each case based on management's most recent evaluation of the Company's internal control over financial reporting.
  11. Discuss with management and, if appropriate under the circumstances, the independent auditor in advance the content of the Company's earnings press releases and earnings guidance. Discuss with management other financial information that the Company provides to securities analysts, credit rating agencies, and others. The Committee need not discuss in advance each instance in which the Company provides such other financial information; instead, the discussion may take the form of a general discussion of the types of information to be disclosed and the types of presentations to be made.
  12. Discuss with management the Company's disclosure or release of non-GAAP financial measures commonly referred to as "pro forma" or "adjusted" financial information. The Committee need not discuss in advance each instance in which the Company discloses or releases non-GAAP financial measures; rather, the discussion may take the form of a general discussion of the Company's use of non-GAAP financial measures in its disclosures and releases.
  13. Discuss with management and the independent auditor the effect of off-balance sheet arrangements on the Company's financial statements.
  14. Discuss with management and the independent auditor the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies and guidelines.

15. Discuss with management and the independent auditor any accounting or other regulatory initiatives, correspondence with governmental or other regulatory agencies, and published reports that raise issues that may have a material effect on the Company's financial statements.

#### Oversight of Relationship with Independent Auditor

16. At least annually, obtain and review a report from the independent auditor regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review or peer review of the independent auditor, (c) any material issues raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditor, (d) any steps taken to deal with any issues described in the two preceding clauses, and (e) all relationships between the independent auditor and the Company.
17. Inquire as to the independence of the independent auditor; obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, consistent with PCAOB Rule 3526; actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or non-audit services that may impact the objectivity and independence of the independent auditor; and otherwise take such actions as are appropriate to oversee the independence of the independent auditor.
18. Evaluate the qualifications, performance, and independence of the independent auditor, including considering whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence. In making this evaluation, the Committee shall taken into account the opinions of management and the internal auditing staff. The Committee shall present its conclusions with respect to the independent auditor to the Board.
19. Review and evaluate the lead partner and other senior members of the independent auditor's audit engagement team, taking into consideration the opinions of management and the head of the internal auditing department.
20. Ensure that the lead, concurring, and other audit partners are rotated off the independent auditor's audit engagement team as required by law or as necessary to assure the independence of the independent auditor.
21. Recommend to the Board a policy for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company to assure the independence of the independent auditor in compliance with applicable law.
22. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditor on a regular basis.

#### Oversight of Internal Auditing Function

23. Review and discuss with management, the independent auditor, and the head of the internal auditing department the scope of the internal audits and the personnel on the internal auditing staff.
24. Review the appointment and replacement of the head of the internal auditing department.
25. Review the reports to management prepared by the internal auditing staff and management's responses to such reports or summaries of such reports and responses prepared by the internal auditing staff.
26. Evaluate the performance of the Company's internal auditing function and review the activities, budget and staffing of the Company's internal auditing function.

### Oversight of Compliance with Legal Requirements and Business Conduct Policies

27. Review periodically and make recommendations to the Board on the adequacy and effectiveness of the Company's compliance practices generally as they relate to Financial Matters. The Committee shall meet with, and receive and review reports from, the Company's General Counsel and Compliance Officer concerning compliance matters relating to Financial Matters. The Committee shall promptly refer all compliance matters regarding non-Financial Matters to the Nominating, Compliance and Governance Committee. In the event it is unclear whether a compliance matter relates to Financial Matters or should alternatively be referred to the Nominating, Compliance and Governance Committee, the matter shall be referred to the Chairman of the Board, who shall determine which committee shall be primarily responsible for the oversight of such matter. The Committee shall promptly notify the Chairman of the Nominating, Compliance and Governance Committee and the Chairman of the Board of the initiation of any such significant compliance matters and shall keep such Chairmen reasonably apprised of the status of any such significant compliance matters.
28. Obtain from the independent auditor its assurance that Section 10A(b) of the Exchange Act has not been implicated.
29. Establish procedures in compliance with Section 301 of SOX and applicable NASDAQ rules for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of their concerns regarding questionable accounting or auditing matters. The procedures shall provide for communicating to all employees of the Company their ability to, and the method for, reporting such complaints and concerns to management of the Company or, if the reporting person so desires, to the Committee. Complaints received by the Committee unrelated to Financial Matters shall be referred to the Nominating, Compliance and Governance Committee.
30. Review and approve all related party transactions, regardless of the dollar amount thereof, as contemplated in Item 404 of Regulation S-K.

### Miscellaneous Responsibilities

31. Review and approve the report required by the rules of the Commission to be included in the Company's annual proxy statement.
32. Investigate, with the assistance of any advisors that it deems appropriate, any matter brought to its attention that is within the scope of the Committee's authority and responsibilities.
33. Review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.
34. Conduct an annual self-evaluation of the performance of the Committee, seeking input from management, the Board and the independent auditor.

### **Limitation of Committee's Role**

While the Committee has the authority, powers, and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable legal, accounting, and other requirements. These are the responsibilities of the Company's management and the independent auditor.

Revised: May 11, 2011