

IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND,
NOVA SCOTIA, NEWFOUNDLAND, THE NORTHWEST
TERRITORIES, NUNAVUT AND THE YUKON TERRITORY

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
BRISTOL-MYERS SQUIBB COMPANY
AND ZIMMER HOLDINGS, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Northwest Territories, Nunavut and the Yukon Territory (the "Jurisdictions") have received an application (the "Application") from Bristol-Myers Squibb Company (the "Corporation") and Zimmer Holdings, Inc. ("Zimmer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, subject to certain conditions:

- (i) the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") shall not apply to the distribution (the "Distribution") by the Corporation of (A) shares of common stock, par value U.S.\$0.01 per share (the "Zimmer Shares"), of Zimmer that it owns or will own, and the associated preferred stock purchase rights, as a dividend in kind to the holders of shares of common stock par value U.S. \$0.10 (the "Bristol-Myers Shares") of the Corporation, and (B) options to purchase Zimmer Shares and shares of restricted stock of Zimmer upon conversion of outstanding options to purchase Bristol-Myers Shares and shares of outstanding restricted stock of the Corporation, respectively, held by employees of Zimmer as part of the dividend in kind; and
- (ii) the requirements to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to the Distribution;

AND WHEREAS pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS the Corporation has represented to the Decision Makers that:

1. The Corporation is a corporation incorporated under the laws of the State of Delaware and its principal executive offices are located in the State of New York.
2. The Corporation, through its divisions and subsidiaries, is a major producer and distributor of pharmaceuticals, consumer medicines, nutritionals, medical devices and beauty care products.
3. The authorized capital stock of the Corporation consists of 4,500,000,000 Bristol-Myers Shares and 10,000,000 shares of U.S.\$2.00 convertible preferred stock (the "Preferred Shares").
4. At the close of business on June 19, 2001, approximately 1,981,291,036 Bristol-Myers Shares and 9,780 Preferred Shares were issued and outstanding, excluding treasury shares.
5. The Bristol-Myers Shares and Preferred Shares are traded on the New York Stock Exchange, the Pacific Exchange, Inc. and the Frankfurt Stock Exchange.
6. The Corporation is not a reporting issuer or the equivalent in any Jurisdiction.
7. As of June 19, 2001, according to the books of the Corporation, 615 persons or companies, whose last address as shown on the books of the Corporation was in Canada, held 710,676.1054 Bristol-Myers Shares and such persons or companies (i) represented approximately 0.56 percent of the total number of holders of record of Bristol-Myers Shares worldwide and (ii) held approximately 0.036 percent of the aggregate outstanding Bristol-Myers Shares. Further, according to the books of the Corporation, 36 employees of the Corporation resident in Canada hold options for 124,050 Bristol-Myers Shares in the aggregate.
8. Zimmer was incorporated under the laws of the State of Delaware on January 12, 2001 under the name "Zodiac Holdings, Inc.". As of March 22, 2001, Zodiac Holdings, Inc. changed its name to Zimmer Holdings, Inc.
9. Zimmer is not a reporting issuer or the equivalent in any Jurisdiction and has no intention of becoming a reporting issuer or the equivalent in any Jurisdiction.
10. The authorized capital stock of Zimmer consists of 1,000 Zimmer Shares par value U.S.\$0.01 per share and no shares of preferred stock. Prior to the date of the Distribution, Zimmer will amend its Certificate of Incorporation to authorize additional shares in sufficient number to effectuate the Distribution.
11. As of June 19, 2001, 1,000 Zimmer Shares, par value U.S.\$0.01 per share and no shares of preferred stock of Zimmer were issued and outstanding.
12. The Corporation currently owns all of the issued and outstanding Zimmer Shares.
13. The Corporation intends to effect the Distribution on or about August 6, 2001.

14. The Zimmer Shares are not currently available for trading on any stock exchange. Upon completion of the Distribution, the Zimmer Shares will be traded on the New York Stock Exchange.

15. Each holder of Bristol-Myers Shares will receive 1 Zimmer Share, and associated preferred stock purchase rights for every 10 Bristol-Myers Shares. The number of Zimmer Shares purchasable under the terms of the options to purchase Bristol-Myers Shares held by employees of Zimmer that will be converted into options to purchase Zimmer Shares will be based upon a price conversion ratio to be determined at the time of the Distribution.

16. The Distribution will be effected in compliance with the laws of the State of Delaware, the United States *Securities Act of 1933*, the United States *Securities Exchange Act of 1934* and other applicable securities laws of the United States.

17. Upon completion of the Distribution, it is expected, on the basis of the holdings of Bristol-Myers Shares as of June 19, 2001, that persons or companies whose address as shown on the books of the Corporation is in Canada will (i) represent approximately 0.56 percent of the total number of holders of record of Zimmer Shares worldwide, and (ii) will hold approximately 0.036 percent of the aggregate outstanding Zimmer Shares.

18. In order to effect the Distribution, and in accordance with the requirements of the United States *Securities Exchange Act of 1934*, Zimmer has filed a Registration Statement on Form 10, including an information statement that contains prospectus-level disclosure with respect to Zimmer with the United States Securities Exchange Commission. In connection with the Distribution, the Corporation will mail the information statement to all holders of Bristol-Myers Shares, including those who are resident in Canada.

19. After the Distribution, Zimmer will concurrently send to holders of Zimmer Shares resident in the Jurisdictions all disclosure materials it sends to holders of Zimmer Shares resident in the United States.

20. The Distribution of the Zimmer Shares would be exempt from the Registration Requirements and the Prospectus Requirements of the Legislation in certain of the Jurisdictions but for the fact that Zimmer is not a reporting issuer or the equivalent in such Jurisdictions.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Corporation is exempt from the Registration Requirements and the Prospectus Requirements in connection with the Distribution, provided that the first trade in any Zimmer Shares acquired by residents of Canada in connection with the Distribution in reliance on this decision shall be deemed a distribution, or

a primary distribution to the public, under the Legislation unless such trade is executed through the facilities of a stock exchange outside of Canada.

DATED July 19th, 2001.

"Paul M. Moore"

"J. A. Geller"

Headnote

MRRS - distribution of shares of a foreign company which is not a reporting issuer as a dividend in kind is not subject to registration and prospectus requirements - *de minimus* Ontario holders - first trade is a distribution unless such trade is conducted through a stock exchange outside of Canada.

Relevant Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. 25, 35(1)13,72(1)(g) and 74(1).

Relevant Ontario Rule

Rule 72-501 - *Prospectus Exemption for First Trade over a Market Outside Ontario.*