

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

ZIMMER BIOMET HOLDINGS, INC.

CIK: **1136869** | IRS No.: **134151777** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-16407** | Film No.: **17960351**
SIC: **3842** Orthopedic, prosthetic & surgical appliances & supplies

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 11, 2017

ZIMMER BIOMET HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16407
(Commission
File Number)

13-4151777
(IRS Employer
Identification No.)

**345 East Main Street
Warsaw, Indiana 46580**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (574) 267-6131

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(e) of the Exchange Act



Item 2.02 Results of Operations and Financial Condition.

On July 11, 2017, Zimmer Biomet Holdings, Inc. (the “Company”) issued a press release announcing its preliminary second quarter 2017 sales and earnings results. The press release is attached hereto as Exhibit 99.1 and the information set forth therein is incorporated herein by reference and constitutes a part of this report.

The information contained in Item 2.02 of this report, including Exhibit 99.1 hereto, is being furnished and shall not be deemed to be “filed” with the Securities and Exchange Commission (“SEC”) for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section and is not incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Company issued a press release on July 11, 2017 announcing changes in its senior management and Board of Directors. The press release is attached hereto as Exhibit 99.2.

Effective July 11, 2017, David C. Dvorak stepped down as President and Chief Executive Officer and a member of the Board of Directors of the Company. Mr. Dvorak will remain with the Company as an employee in an advisory capacity for a period of time. The Company did not enter into, amend or modify any material compensatory plans or arrangements in connection with Mr. Dvorak’s departure. Mr. Dvorak will be entitled to certain compensation and benefits following his departure under existing arrangements.

Also effective July 11, 2017, the Board appointed Daniel P. Florin, age 53, the Company’s Senior Vice President and Chief Financial Officer, to serve in the additional role of Interim CEO until a permanent successor has been named, and elected Mr. Florin as a member of the Board of Directors to fill the vacancy resulting from Mr. Dvorak’s departure from the Board. Mr. Florin is not expected to be appointed to any committees of the Board.

The Compensation and Management Development Committee of the Board approved changes to certain aspects of Mr. Florin’s compensation arrangements, effective July 11, 2017.

Mr. Florin’s base salary was increased to \$1,153,188 for the period during which he serves as Interim CEO. The Committee also approved a one-time, time-based restricted stock unit (“RSU”) award to Mr. Florin under the Company’s 2009 Stock Incentive Plan (the “2009 Plan”) with a grant date of August 1, 2017 and a grant date fair value of approximately \$1,000,000. Mr. Florin’s RSU award will be subject to the terms and conditions of the 2009 Plan and an applicable RSU award agreement under the 2009 Plan, the form of which is filed as Exhibit 10.1 to this report. The RSU award will vest ratably on the first and second anniversaries of the grant date. Vesting may be accelerated in the event of involuntary termination of employment without cause, death or Retirement (as that term is defined in the 2009 Plan).

Other aspects of Mr. Florin’s compensation arrangements as described in the Company’s definitive proxy statement filed with the SEC on March 30, 2017 remain unchanged.

Mr. Florin has been the Senior Vice President and Chief Financial Officer of the Company since June 2015. He served as Senior Vice President and Chief Financial Officer of Biomet, Inc. from June 2007 to

June 2015. Prior to joining Biomet, Mr. Florin served as Vice President and Corporate Controller of Boston Scientific Corporation from 2001 through May 2007. Before being appointed Corporate Controller in 2001, Mr. Florin served in financial leadership positions within Boston Scientific Corporation and its various business units. Prior to joining Boston Scientific Corporation, Mr. Florin worked for C.R. Bard from October 1990 through June 1995.

There are no family relationships between Mr. Florin and any of the Company's directors or executive officers. There are no other arrangements or understandings between Mr. Florin and any other person pursuant to which Mr. Florin was selected as an officer or director of the Company. Mr. Florin is not a party to any transaction requiring disclosure under Item 404(a) of Regulation S-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of RSU award agreement
99.1	Press release announcing preliminary financial results issued on July 11, 2017
99.2	Press release announcing leadership transition issued on July 11, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 11, 2017

ZIMMER BIOMET HOLDINGS, INC.

By: /s/ Chad F. Phipps

Name: Chad F. Phipps

Title: Senior Vice President, General Counsel and
Secretary

EXHIBIT INDEX

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ZIMMER BIOMET HOLDINGS, INC.
2009 STOCK INCENTIVE PLAN
TWO-YEAR RESTRICTED STOCK UNIT AWARD

To encourage your continued employment with Zimmer Biomet Holdings, Inc. (the “Company”) or its Affiliates, you have been granted this restricted stock unit (“RSU”) award (“Award”) pursuant to the Company’s 2009 Stock Incentive Plan (“Plan”). Each RSU represents an unfunded, unsecured promise by the Company to deliver one share of Common Stock (“Share”) to you, subject to the fulfillment of the vesting requirements set forth in this agreement (“Agreement”) and all other restrictions, terms and conditions contained in this Agreement and in the Plan. Except as may be required by law, you are not required to make any payment (other than payments for Tax-Related Items pursuant to Section 7 hereof) or provide any consideration other than the rendering of future services to the Company or its Affiliates. Capitalized terms that are not defined in this Agreement have the meanings given to them in the Plan.

Important Notice. If you do not wish to receive the RSUs and/ or do not consent and agree to the terms and conditions on which the RSUs are offered, as set forth in this Agreement and the Plan, then you must reject the RSUs no later than 60 days following the Grant Date specified in Section 1 hereof. If you reject the Award, any right to the underlying RSUs will be cancelled. Your failure to reject the Award within this 60-day period will constitute your acceptance of the RSUs and your agreement with all terms and conditions of the Award, as set forth in this Agreement and the Plan.

1. **Grant Date** , 20 (the “Grant Date”).

2. **Number of RSUs Subject to this Award** The number of RSUs subject to this Award will be communicated to you separately and posted to your online Zimmer Biomet - Computershare account (or your account with such other stock plan service provider as may be selected by the Company to assist the Company with the implementation, administration and management of the Plan).

3. **Vesting Schedule** An RSU granted in this Award shall be subject to the restrictions and conditions set forth herein during the period from the Grant Date until such RSU becomes vested and nonforfeitable (the “Restriction Period”). Except as otherwise set forth in Section 6 below, 50% of the RSUs granted in this Award shall become vested and nonforfeitable on the first anniversary of the Grant Date provided that you have been continuously employed by the Company or an Affiliate since the

Grant Date; and the final 50% of the RSUs granted in this Award shall become vested and nonforfeitable on the second anniversary of the Grant Date provided that you have been continuously employed by the Company or an Affiliate since the Grant Date.

4. Stockholder Rights You will have none of the rights of a holder of Common Stock (including any voting rights, rights with respect to cash dividends paid by the Company on its Common Stock or any other rights whatsoever) until the Award is settled by the issuance of Shares to you.

5. Conversion of RSUs and Issuance of Shares Subject to the terms and conditions of this Agreement and the Plan, the Company will transfer Shares to you within 60 days after the lapse of the Restriction Period for those RSUs. No fractional Shares will be issued under this Agreement. The Company will not be required to issue or deliver any Shares prior to (a) the admission of such Shares to listing on any stock exchange on which the stock may then be listed, (b) the completion of any registration or other qualification of such Shares under any state or federal law or rulings or regulations of any governmental regulatory body, or (c) the obtaining of any consent or approval or other clearance from any governmental agency, which the Company shall, in its sole discretion, determine to be necessary or advisable. The Company reserves the right to determine the manner in which the Shares are delivered to you, including but not limited to delivery by direct registration with the Company's transfer agent.

6. Termination of Employment

(a) For all purposes of this Agreement, the term "Employment Termination Date" shall mean the earlier of (i) the date, as determined by the Company, that you are no longer actively employed by the Company or an Affiliate of the Company, and in the case of an involuntary termination, such date shall not be extended by any notice period mandated under local law (e.g., active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); or (ii) the date, as determined by the Company, that your employer is no longer an Affiliate of the Company.

(b) (i) A transfer of your employment from the Company to an Affiliate, or vice versa, or from one Affiliate to another,
(ii) a leave of absence, duly

2-Year RSU Award (Interim CEO) (2017)

authorized in writing by the Company, for military service or sickness or for any other purpose approved by the Company if the period of such leave does not exceed ninety (90) days, and (iii) a leave of absence in excess of ninety (90) days, duly authorized in writing by the Company, provided your right to reemployment is guaranteed either by a statute or by contract, shall not be deemed a termination of employment. However, your failure to return to the employ of the Company at the end of an approved leave of absence shall be deemed a termination. During a leave of absence as defined in (ii) or (iii), you will be considered to have been continuously employed by the Company.

(c) Except as set forth below, if your Employment Termination Date occurs before all of the RSUs have become vested, the RSUs that are not already vested as of your Employment Termination Date shall be forfeited and immediately cancelled.

(d) If after you have been continuously employed for one year or more from the Grant Date, you terminate employment with the Company or a subsidiary on account of Retirement or death, the restrictions with respect to all unvested RSUs granted in this Award shall be waived and the RSUs will be deemed fully vested (subject to any applicable requirements described in the definition of "Retirement" in the Plan). Notwithstanding Section 9(b)(3) of the Plan, if your employment is involuntarily terminated by the Company for reasons other than willful misconduct or activity deemed detrimental to the interests of the Company and you have executed a general release and/or a covenant not to compete and/or not to solicit as required by the Company, the restrictions with respect to all unvested RSUs granted in this Award shall be waived and the RSUs will be deemed fully vested as of your Employment Termination Date.

(e) In the event of your death prior to the delivery of Shares issuable pursuant to RSUs under this Agreement, such Shares shall be delivered to the duly appointed legal representative of your estate or to the proper legatees or distributees thereof, upon presentation of documentation satisfactory to the Committee.

7. Responsibility for Taxes

(a) You acknowledge that, regardless of any action taken by the Company or, if different, your actual employer (the "Employer"), the ultimate liability for all income tax (including federal, state and local taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer to be an appropriate charge to you even if legally

applicable to the Company or the Employer ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the

treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the Award, the vesting or settlement of the RSUs, the conversion of the RSUs into Shares, the subsequent sale of any Shares acquired at vesting or the receipt of any dividends; and (ii) do not commit to, and are under no obligation to, structure the terms or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company or the Employer (or former Employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to pay, or make adequate arrangements satisfactory to the Company or to the Employer (in their sole discretion) to satisfy all Tax-Related Items. In this regard and, if permissible under local law, you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with respect to all Tax-Related Items in one or a combination of the following: (i) requiring you to pay an amount necessary to pay the Tax-Related Items directly to the Company (or the Employer) in the form of cash, check or other cash equivalent; (ii) withholding such amount from wages or other cash compensation payable to you by the Company and/or the Employer; (iii) withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization or such other authorization, without further consent, as you may be required to provide to the Company or Computershare (or any other designated broker)); or (iv) withholding in Shares to be issued upon settlement of the RSUs.

(c) Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Shares, and you agree that the amount withheld may exceed your actual liability. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

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(d) Finally, you agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

8. Nature of Grant In accepting the RSUs, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;

(b) the Award is exceptional, discretionary, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs even if RSUs have been awarded in the past;

(c) all decisions with respect to future RSU or other awards, if any, will be at the sole discretion of the Company;

(d) the Award and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any Affiliate of the Company and shall not interfere with the ability of the Company, the Employer or any Affiliate of the Company, as applicable to terminate your employment or service relationship (if any);

(e) your participation in the Plan is voluntary;

(f) the Award, the Shares subject to the RSUs, and the income from and value of same are not intended to replace any pension rights or compensation;

(g) the Award and the Shares subject to the RSUs, and the income from and value of same are not part of normal or expected compensation for purposes of calculation of any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement benefits or similar mandatory payments;

(h) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages arises from forfeiture of RSUs resulting from

termination of your employment or other service relationship with the Company or the Employer (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any),

or resulting from a breach or violation as described in Section 15 or Section 16 below;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and

(k) the following provisions apply only if you are providing services outside the United States: (i) the Award and the Shares subject to the RSUs are not part of normal or expected compensation or salary for any purpose; and (ii) you acknowledge and agree that neither the Company, the Employer nor any Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

9. No Advice Regarding Grant The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

10. Data Privacy *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other RSU Award materials (“Data”) by and among, as applicable, the Employer, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other stock-based awards, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan.

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You understand that Data will be transferred to Computershare or such other stock plan service provider as may be selected by the Company to assist the Company with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, Computershare and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative.

Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant RSUs or any other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

11. Change in Control Under certain circumstances, if your employment with the Company or its Affiliates terminates during the three year period following a Change in Control of the Company, this Award may be deemed vested. Please refer to the Plan for more information.

12. Changes in Capitalization If prior to the expiration of the Restriction Period changes occur in

the outstanding Common Stock by reason of stock dividends, recapitalization, mergers, consolidations, stock splits, combinations or exchanges of Shares and the like, the number and class of Shares subject to this Award will be appropriately adjusted by the Committee, whose determination will be conclusive. If as a result of any adjustment under this paragraph you should become entitled to a fractional Share of stock, you will have the right only to the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Share so disregarded.

13. Notice Until you are advised otherwise by the Committee, all notices and other correspondence with respect to this Award will be effective upon receipt at the following address: Zimmer Biomet Holdings, Inc., ATTN: Kathryn Diller, Corporate Securities Senior Administrator, 345 East Main Street, Post Office Box 708, Warsaw, Indiana 46581-0708, U.S.A.

14. No Additional Rights Except as explicitly provided in this Agreement, this Agreement will not confer any rights upon you, including any right with respect to continuation of employment by the Company or any of its Affiliates or any right to future awards under the Plan. In no event shall the value, at any time, of this Agreement, the Shares covered by this Agreement or any other benefit provided under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company or its Affiliates unless otherwise specifically provided for in such plan.

15. Breach of Restrictive Covenants As a condition of receiving this Award, you have entered into a non-disclosure, non-solicitation and/or non-competition agreement with the Company or its Affiliates. The Company may, at its discretion, require execution of a restated non-disclosure, non-solicitation and/or non-competition agreement as a condition of receiving the Award. Should you decline to sign such a restated agreement as required by the Company and, therefore, forego receiving the Award, your most recently signed non-disclosure, non-solicitation and/or non-competition agreement shall remain in full force and effect. You understand and agree that if you violate any provision of any such agreement that remains in effect at the time of the violation, the Committee may require you to forfeit your right to any unvested portion of the Award and, to the extent that any portion of the Award has previously vested, the Committee may require you to return to the Company the Shares covered by the Award or any cash proceeds you received upon the sale of such Shares.

16. Violation of Policies Notwithstanding any other provisions of this Agreement, you understand and

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agree that if you engage in conduct (which may include a failure to act) in connection with, or that results in, a violation of any of the Company's policies, procedures or standards, a violation of the Company's Code of Business Conduct and Ethics, or that is deemed detrimental to the business or reputation of the Company, the Committee may, in its discretion, require you to forfeit your right to any unvested portion of the Award and, to the extent that any portion of the Award has previously vested, the Committee may require you to return to the Company the Shares covered by the Award or any cash proceeds you received upon the sale of such Shares. The Committee may exercise this discretion at any time that you are employed by the Company or any Affiliate of the Company, and at any time during the 18-month period following the termination of your employment with the Company or any Affiliate of the Company for any reason, including, without limitation, on account of Retirement or death.

17. Consent to Electronic Delivery The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. Code Section 409A Compliance To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. The RSUs granted in this Award are intended to be short-term deferrals exempt from Section 409A, but in the event that any portion of this Award constitutes deferred compensation within the meaning of Section 409A, then the issuance of Shares covered by an RSU award shall conform to the Section 409A standards, including, without limitation, the requirement that no payment on account of separation from service will be made to any specified employee (within the meaning of Section 409A) until six months after the separation from service occurs, and the prohibition against acceleration of payment, which means that the Committee does not have the authority to accelerate settlement of this Award in the event that any portion of it constitutes deferred compensation within the meaning of Section 409A. Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy any applicable requirement of Section 409A shall have no force or effect until amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

19. Construction and Interpretation The Board of Directors of the Company (the "Board") and the Committee shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement and all such Board and Committee determinations shall be final, conclusive, and binding upon you and all interested parties. The terms and

conditions set forth in this Agreement are subject in all respects to the terms and conditions of the Plan, as amended from time to time, which shall be controlling. This Agreement and the Plan contain the entire understanding of the parties and this Agreement may not be modified or amended except in writing duly signed by the parties. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other party to this Agreement. The various provisions of this Agreement are severable and in the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included. This Agreement will be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

The validity and construction of this Agreement shall be governed by the laws of the State of Indiana, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. For purposes of litigating any dispute arising under this Agreement, the parties hereby submit and consent to the jurisdiction of the State of Indiana, agree that such litigation shall be conducted in the courts of Kosciusko County Indiana, or the federal courts for the United States for the Northern District of Indiana, where this grant is made and/or to be performed.

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if meaning of the translated version is different from the English version, the English version will control.

20. Insider Trading/Market Abuse Laws: You acknowledge that you may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and your country of residence which may affect your ability to acquire or sell Shares or rights to Shares (*e.g.*, RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any

2-Year RSU Award (Interim CEO) (2017)

restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

21. Foreign Asset/Account Reporting: Please be aware that your country may have certain foreign asset and/or account reporting requirements which may affect your ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You acknowledge that it is your responsibility to be compliant with such regulations, and you should speak to your personal advisor on this matter.

22. Compliance with Laws and Regulations Notwithstanding any other provisions of this Agreement, you understand that the Company will not be obligated to issue any Shares pursuant to the vesting of the RSUs if the issuance of such Shares shall constitute a violation by you or the Company of any provision of law or regulation of any governmental authority. Any determination by the Company in this regard shall be final, binding and conclusive.

23. Addendum Your Award shall be subject to any special provisions set forth in the Addendum to this Agreement for your country, if any. If you relocate to one of the countries included in the Addendum during the Restriction Period, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Addendum, if any, constitutes part of this Agreement.

24. Imposition of Other Requirements The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to accept any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. Acceptance If you do not agree with the terms of this Agreement and the Plan, you must reject the Award no later than 60 days following the Grant Date; non-rejection of the Award will constitute your acceptance of the Award on the terms on which they are offered, as set forth in this Agreement and the Plan.

ZIMMER BIOMET HOLDINGS, INC.

By:



Chad F. Phipps
Senior Vice President,
General Counsel and Secretary

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345 E. Main St.
Warsaw, IN 46580
www.zimmerbiomet.com

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Zimmer Biomet Reports Certain Preliminary Second Quarter 2017 Results

(WARSAW, IN) July 11, 2017 – Zimmer Biomet Holdings, Inc. (NYSE and SIX: ZBH), a global leader in musculoskeletal healthcare, today announced that it expects second quarter revenues to be approximately \$1.954 billion, which would be an increase of 1.1% over the prior year period, and an increase of 2.1% on a constant currency basis. The Company had previously anticipated second quarter revenues in the range of \$1.940 billion to \$1.960 billion, with constant currency growth to be in the range of 2.4% to 3.4%. The Company estimates that foreign exchange rates had a favorable impact of 120 basis points relative to what was assumed in second quarter guidance.

Excluding approximately 240 basis points of contribution from the LDR Holding Corporation acquisition, second quarter 2017 revenues are expected to decrease by 1.3%, or a decrease of 0.3% on a constant currency basis, from the second quarter of 2016. This expected constant currency revenue decrease is below the Company's previously stated guidance range of growth of 0.0% to 1.0% on a similar basis.

“While production output increased at our legacy Biomet manufacturing site in Warsaw, Indiana during the second quarter, certain brands did not achieve targeted production levels as quickly as anticipated. We also experienced slower than expected sales recapture from previously affected customers in the United States,” said Dan Florin, Interim Chief Executive Officer, Senior Vice President and Chief Financial Officer. “As we look toward the second half of 2017, we are focused on restoring full product supply and improving customer engagement, while continuing to progress on our quality enhancement efforts.”

The Company also expects adjusted diluted earnings per share for the second quarter to be at or near the bottom of its previously issued guidance range of \$2.08 to \$2.13. The Company is unable to provide estimated GAAP (reported) diluted earnings per share results for the second quarter 2017, without unreasonable efforts, as the Company is finalizing the tax accounting related to recently acquired businesses and other certain items that are excluded from the computation of adjusted diluted earnings per share.

Zimmer Biomet will provide further details regarding its second quarter performance and will update its 2017 sales and earnings guidance during the Company's second quarter earnings call scheduled on Thursday, July 27, 2017. All of the information in this press release is preliminary and subject to completion of quarter-end financial reporting processes and reviews.

About Zimmer Biomet

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer Biomet is a global leader in musculoskeletal healthcare. We design, manufacture and market orthopaedic reconstructive products; sports medicine, biologics, extremities and trauma products; office based technologies; spine, craniomaxillofacial and thoracic products; dental implants; and related surgical products.

We collaborate with healthcare professionals around the globe to advance the pace of innovation. Our products and solutions help treat patients suffering from disorders of, or injuries to, bones, joints or supporting soft tissues. Together with healthcare professionals, we help millions of people live better lives.

We have operations in more than 25 countries around the world and sell products in more than 100 countries. For more information, visit www.zimmerbiomet.com, or follow Zimmer Biomet on Twitter at www.twitter.com/zimmerbiomet.

Website Information

We routinely post important information for investors on our website, www.zimmerbiomet.com, in the “Investor Relations” section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this press release.

Note on Non-GAAP Financial Measures

This press release includes non-GAAP financial measures that differ from financial measures calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures may not be comparable to similar measures reported by other companies and should be considered in addition to, and not as a substitute for, or superior to, other measures prepared in accordance with GAAP.

Preliminary sales change information for the three-month period ended June 30, 2017 is presented on a GAAP (reported) basis and on a constant currency basis, as well as on a basis that excludes the contribution from the Company’s acquisition of LDR Holding Corporation in July 2016. Constant currency rates exclude the effects of foreign currency exchange rates. They are calculated by translating current and prior-period sales at the same predetermined exchange rate. The translated results are then used to determine year-over-year percentage increases or decreases. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release.

Projected diluted earnings per share for the three-month period ended June 30, 2017 is presented on an adjusted basis. Projected adjusted diluted earnings per share excludes the effects of inventory step-up; certain inventory and manufacturing-related charges connected to discontinuing certain product lines, quality enhancement and remediation efforts; special items; intangible asset amortization; any related

effects on our income tax provision associated with these items; and other certain tax adjustments. Special items include expenses resulting directly from our business combinations and/or global restructuring, quality and operational excellence initiatives, including employee termination benefits, certain contract terminations, consulting and professional fees, dedicated project personnel, asset impairment or loss on disposal charges and other items. Other certain tax adjustments include internal restructuring transactions that lower the tax rate on deferred tax liabilities recorded on intangible assets recognized as part of acquisition-related accounting or provide the Company access to offshore funds in a tax efficient manner. As noted above, the Company is unable to provide projected diluted earnings per share for the three-month period ended June 30, 2017 on a GAAP (reported) basis, or a reconciliation of such GAAP amount to projected adjusted diluted earnings per share, without unreasonable efforts, as it is finalizing the tax accounting related to recently acquired businesses and other certain items that are excluded from the computation of adjusted diluted earnings per share.

Management uses these non-GAAP financial measures internally to evaluate the performance of the business and believes they are useful measures that provide meaningful supplemental information to investors to consider when evaluating the performance of the Company. Management believes these measures offer the ability to make period-to-period comparisons that are not impacted by certain items that can cause dramatic changes in reported operating results, to perform trend analysis, to better identify operating trends that may otherwise be masked or distorted by these types of items and to provide additional transparency of certain items. In addition, certain of these non-GAAP financial measures are used as performance metrics in the Company's incentive compensation programs.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements that address expectations, plans or projections about the future, including statements about Zimmer Biomet's expected financial results, growth prospects and business strategy, are forward-looking statements. Such statements are based upon the current beliefs and expectations of management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. For a list and description of some of such risks and uncertainties, see Zimmer Biomet's periodic reports filed with the U.S. Securities and Exchange Commission (SEC). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in Zimmer Biomet's filings with the SEC. Zimmer Biomet disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be set forth in its periodic reports. Accordingly, such forward-looking statements speak only as of the date made. Readers of this news release are cautioned not to place undue reliance on these forward-looking statements, since, while management believes the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in this news release.

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ZIMMER BIOMET HOLDINGS, INC.
PRELIMINARY RECONCILIATION OF REPORTED NET SALES % CHANGE TO
CONSTANT CURRENCY % CHANGE AND
% CHANGE EXCLUDING LDR HOLDING CORPORATION
(unaudited)

	For the Three Months Ended June 30, 2017		
	<u>% Change</u>	<u>Foreign Exchange Impact</u>	<u>Constant Currency % Change</u>
Net Sales % Change	1.1 %	(1.0)%	2.1 %
Impact of LDR Holding Corporation	(2.4)	-	(2.4)
% Change excluding LDR Holding Corporation	(1.3)%	(1.0)%	(0.3)%



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Zimmer Biomet Announces Leadership Transition

David C. Dvorak Steps Down as President and Chief Executive Officer; Chief Financial Officer Daniel P. Florin Appointed as Interim Chief Executive Officer

Board Conducting Search for Permanent CEO

(WARSAW, IN) July 11, 2017 - Zimmer Biomet Holdings, Inc. (NYSE and SIX: ZBH), a global leader in musculoskeletal healthcare, announced that David C. Dvorak has stepped down as President and Chief Executive Officer and a member of the Board of Directors, effective today. To assist with the transition, Mr. Dvorak will serve in an advisory capacity to the Company for a period of time. The Board has appointed Daniel P. Florin, Senior Vice President and Chief Financial Officer, to serve in the additional role of Interim CEO and a member of the Board of Directors until a permanent successor has been named.

The Zimmer Biomet Board is retaining a leading executive search firm to identify and evaluate candidates for the permanent CEO role.

Mr. Dvorak said, "Serving alongside Zimmer Biomet's dedicated employees over the past 16 years and leading the Company as CEO for ten of those years has been a privilege and a highlight of my professional career. Our collective efforts grew employment from approximately 3,000 in 2001 to 18,000 today and built a Fortune 500 company. I am particularly proud of what we have accomplished working together with surgeons and clinicians to help millions of patients globally improve their quality of life."

Larry C. Glasscock, Chairman of the Board of Zimmer Biomet, commented, "During David's ten-year tenure as CEO, Zimmer Biomet has transformed into a truly global leader in musculoskeletal healthcare. Through a combination of organic growth and strategic acquisitions, Zimmer Biomet's revenue has doubled and the Company has established a leading portfolio of technologies, solutions and personalized services. With this strong platform in place, there is tremendous opportunity for Zimmer Biomet. On behalf of the Board, I thank David for his many important contributions to our Company and industry over the years and wish him much success in the future."

Mr. Glasscock continued, "We are fortunate to have a leader of Dan's caliber and experience to step into the CEO role on an interim basis while the Board conducts its search process. Dan's knowledge of Zimmer Biomet and his achievements here and at other medical device companies make him an excellent choice to support the Company through this interim period. We appreciate his willingness to take on this expanded role."

Mr. Florin said, “Zimmer Biomet has a talented and dedicated team and an unmatched portfolio. I am honored to assume the Interim CEO role and I look forward to working closely with the Board, senior leadership team and our sales force as we strive to support our customers and enhance stockholder value.”

About Dan Florin

Dan Florin was appointed Senior Vice President and Chief Financial Officer of Zimmer Biomet in June 2015 and has over 16 years of executive experience in the medical device industry. He previously served as Senior Vice President and Chief Financial Officer of Biomet from June 2007 to June 2015. Prior to joining Biomet, Mr. Florin served as Vice President and Corporate Controller of Boston Scientific Corporation from 2001 until 2007. Before being appointed Corporate Controller in 2001, Mr. Florin served in financial leadership positions within Boston Scientific Corporation and its various business units. Mr. Florin previously worked for C.R. Bard from October 1990 through June 1995, and Deloitte from September 1986 to October 1990. Mr. Florin holds a Bachelor's degree in Business Administration with a concentration in Accounting from the University of Notre Dame and an Executive MBA from Boston University.

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