

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION**

RAJESH M. SHAH, *et al.*,

Plaintiffs,

v.

ZIMMER BIOMET HOLDINGS, INC., *et al.*,

Defendants.

Case No.: 3:16-cv-00815-PPS-MGG

Honorable Philip P. Simon

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”)¹ pending in the United States District Court for the Northern District of Indiana (the “Court”), if, during the period between June 7, 2016 and November 7, 2016, inclusive (the “Settlement Class Period”), you purchased or otherwise acquired Zimmer Biomet Holdings, Inc. common stock (“ZBH Common Stock”) and/or call options on ZBH Common Stock (“ZBH Call Options”), and/or wrote put options on ZBH Common Stock (“ZBH Put Options”), and were damaged thereby.²

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs, Rajesh M. Shah and Matt Brierly (“Lead Plaintiffs”), and additional plaintiffs UFCW Local 1500 and Steven Castillo (together with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined in ¶ 27 below), have reached a proposed settlement of the Action for \$50,000,000 in cash that, if approved, will resolve all claims, whether known or unknown, in the Action (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact ZBH, any other Defendants in the

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated April 14, 2020 (the “Stipulation”), which is available at www.ZimmerBiometSecuritiesLitigation.com. Zimmer Biomet Holdings, Inc. is referred to herein as “Zimmer Biomet,” “ZBH” and the “Company.”

² ZBH Common Stock, Call Options and Put Options are collectively referred to herein as “ZBH Securities.”

Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 95 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendant ZBH, defendants David C. Dvorak, Daniel P. Florin, Robert J. Marshall Jr., Tony W. Collins (collectively the “Officer Defendants”), and defendants Christopher B. Begley, Betsy J. Bernard, Paul M. Bisaro, Gail K. Boudreaux, Michael J. Farrell, Larry Glasscock, Robert A. Hagemann, Arthur J. Higgins, Michael W. Michelson, Cecil B. Pickett, Ph.D., Jeffrey K. Rhodes (together with the Officer Defendants, “the Individual Defendants,” and, together with ZBH and the Officer Defendants, the “Defendants”) violated the federal securities laws by making false and misleading statements and failing to disclose material facts regarding ZBH during the Settlement Class Period. A more detailed description of the Action is set forth in paragraphs 11-26 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 27 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$50,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses³ awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed among members of the Settlement Class in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages 15-25 below.

3. **Estimate of Average Amount of Recovery Per Share:** Plaintiffs’ damages expert estimates that the conduct at issue in the Action affected approximately 31.9 million shares of ZBH Common Stock⁴ purchased during the Settlement Class Period. If all eligible Settlement Class Members elect to participate in the Settlement, the estimated average recovery would be approximately \$1.57 per affected share of ZBH Common Stock (before the deduction of any Court-approved fees, expenses and costs as described herein). Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their ZBH Common Stock, and the total number of valid Proof of Claim and Release Forms (“Claim Forms”) submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 15-25 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share or Option:** The Parties do not agree on the average amount of damages per share or option that would be recoverable if Plaintiffs were to

³ “Litigation Expenses” means costs and expenses incurred in connection with commencing, prosecuting and settling the Action (which may include the costs and expenses of Plaintiffs directly related to their representation of the Settlement Class), for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

⁴ An affected share might have been traded more than once during the Settlement Class Period, and this average recovery would be the total for all purchasers of that share.

prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2016, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Glancy Prongay & Murray LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33 ⅓% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$1,900,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the maximum amounts are requested and the Court approves Lead Counsel's fee and expense application, the estimated average amount of fees and expenses, assuming claims are filed for all affected shares will be approximately \$0.58 per affected share of ZBH Common Stock.

6. **Identification of Attorneys' Representatives:** Plaintiffs and the Settlement Class are represented by Kara M. Wolke, Esq. of Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, 888-773-9224, settlements@glancylaw.com.

7. **Reasons for the Settlement:** Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 19, 2020.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 36 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 37 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 13, 2020.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 13, 2020.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON SEPTEMBER 3, 2020 AT 1:00P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN AUGUST 13, 2020.	Filing a written objection and notice of intention to appear by August 13, 2020 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or acquired ZBH Common Stock or Call Options or written or sold ZBH Put Options during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). *See*

paragraph 84 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. ZBH designs, manufactures and markets orthopedic reconstructive products; sports medicine, biologics, extremities and trauma products; spine, bone healing, craniomaxillofacial and thoracic products; dental implants; and related surgical products. ZBH was the product of a \$13.4 billion merger between cross-town medical device competitors Legacy Zimmer and Legacy Biomet. The Action arises out of alleged material misrepresentations and omissions concerning the success of the merger and ZBH's expected financial performance made during the June 7, 2016 through November 7, 2016, inclusive, Settlement Class Period.

12. On December 2, 2016, this Action was filed in the United States District Court for the Northern District of Indiana.

13. On April 3, 2017, the Court appointed Rajesh M. Shah, Matt Brierley, and Eric Levy as lead plaintiffs in the Action pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The Court also approved lead plaintiffs' selection of Glancy Prongay & Murray LLP as Lead Counsel and Katz & Korin, PC as Liaison Counsel⁵ for the putative class.

14. On June 16, 2017, lead plaintiffs filed and served their Amended Class Action Complaint for Violation of the Federal Securities Laws, which was corrected on June 28, 2017 (the "CAC"). The CAC asserted claims against: (i) ZBH and the Officer Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder; (ii) the Officer Defendants under Section 20(a) of the Exchange Act; (iii) the Defendants and J.P. Morgan Securities LLC and Goldman, Sachs & Co. LLC (collectively, the "Underwriter Defendants") under Section 11 of the Securities Act of 1933 (the "Securities Act"); (iv) ZBH and the Underwriter Defendants under Section 12(a)(2) of the Securities Act; and (v) the Individual Defendants under Section 15 of the Securities Act.

15. On October 5, 2017, lead plaintiffs and plaintiff UFCW Local 1500 voluntarily dismissed the Underwriter Defendants without prejudice. On that same day, the lead plaintiffs and plaintiff UFCW Local 1500 filed and served a Second Amended Class Action Complaint for Violations of the Federal Securities Laws (the "SAC"). The SAC asserted the same claims as the CAC, excluding the claims asserted against the Underwriter Defendants, and adding claims against KKR Biomet LLC, TPG Partners IV, L.P., TPG Partners V, L.P., TPG FOF V-A, L.P., TPG FOF V-B, L.P., TPG LVB Co-Invest LLC, TPG LVB Co-Invest II LLC, GS Capital Partners VI Fund, L.P., GS Capital Partners VI Parallel, L.P., GS Capital Partners VI Offshore Fund, L.P., GS Capital Partners VI GmbH & Co. KG, Goldman Sachs BMET Investors, L.P., Goldman Sachs BMET Investors Offshore Holdings, L.P., PEP Bass Holdings, LLC, Private Equity Partners 2004 Direct

⁵ During the course of this Action, Katz & Korin, PC changed its name to Katz Korin Cunningham, PC.

Investment Fund L.P., Private Equity Partners 2005 Direct L.P., Private Equity Partners IX Direct L.P., and GS LVB Co-Invest, L.P. (the “PE Defendants”) under Section 20(A) of the Exchange Act and Section 12(a)(2) of the Securities Act.

16. On December 20, 2017, multiple motions to dismiss were filed by the Defendants and the PE Defendants; included in defendants’ motion was also a request to strike portions of the SAC pursuant to Fed. R. Civ. P. 12 (f). On March 13, 2018, lead plaintiffs and plaintiff UFCW Local 1500 served their papers in opposition and, on May 18, 2018, the various defendants served their reply papers. On September 26, 2018, the Court entered its Opinion and Order that granted in part, and denied in part, the defendants’ motions. Based on the Court’s Order, the claims against the PE Defendants were dismissed.

17. On October 9, 2018, Defendants filed a Motion to Amend the Court’s September 26, 2018 Opinion and Order to Include a Certification under 28 U.S.C. § 1292(b) and Motion to Stay Proceedings Pending Appeal (the “1292 Motion”). Lead plaintiffs and plaintiff UFCW Local 1500 opposed the 1292 Motion on October 30, 2018, and on November 13, 2018, the Defendants filed their reply. On November 27, 2018, Defendants filed a notice of supplemental authority relevant to their pending 1292 Motion, which plaintiffs responded to on the same day. On November 28, 2018, plaintiffs requested leave to file a sur-reply to the 1292 Motion, which was granted by the Court and deemed filed on November 29, 2018. Defendants filed a response to this sur-reply on December 6, 2018. On January 17, 2019, plaintiffs requested leave to file a supplemental submission on January 17, 2019. Defendants filed a response to this request on January 22, 2019. On January 28, 2019, the Court heard oral argument on the 1292 Motion, and on February 20, 2019, denied Defendants’ 1292 Motion.

18. On November 12, 2018, Defendants filed and served an answer to the SAC, which was amended on November 14, 2018.

19. On March 4, 2019, plaintiffs filed an unopposed motion to add Mr. Castillo as a named plaintiff to the action. The Court granted this motion on March 14, 2019 and ordered Plaintiffs to file a “revised” version of the Second Amended Complaint reflecting the interlineation of Mr. Castillo as a named plaintiff. Plaintiffs revised the Second Amended Complaint as ordered on March 21, 2019 (the “Operative Complaint”).

20. On April 11, 2019, plaintiffs moved for class certification, together with the declaration of Daniel R. Fischel regarding market efficiency. On June 7, 2019, plaintiffs filed and served an unopposed motion to relieve Mr. Levy of his duties to serve as a lead plaintiff and to withdraw his application to serve as a class representative, which the Court granted on June 13, 2019. In May and June 2019, Defendants deposed each of the Plaintiffs, Plaintiffs’ market efficiency expert, as well as two third-party investment managers. On June 20, 2019, Defendants filed and served their papers in opposition to the motion for class certification, together with an expert report of Vinita Juneja, Ph.D. On August 6, 2019, Plaintiffs deposed Dr. Juneja. On August 20, 2019, Plaintiffs filed and served their reply papers in further support of their motion for class certification, together with a rebuttal declaration of Professor Fischel.

21. From October 2018 through December 2019, counsel for Plaintiffs and Defendants completed extensive fact discovery. Plaintiffs’ Counsel reviewed and analyzed more than 1.2 million pages of documents produced by Defendants and third parties. At the time the settlement was reached, the Parties were nearing the completion of document discovery and preparing for fact depositions.

22. In the summer of 2019, while Plaintiffs were actively pursuing fact discovery, the Parties agreed to participate in private mediation. The Parties selected the Honorable Daniel Weinstein (Ret.) and Jed D. Melnick, Esq. to serve as mediators. The Parties exchanged extensive mediation statements and exhibits that addressed, among other things, issues related to liability and damages. The Parties participated in a full-day mediation session in New York on September 17, 2019. The session ended without an agreement to settle and the Parties continued with discovery.

23. The Parties agreed to engage in another mediation session to re-visit whether a settlement could be reached, with Judge Weinstein and Mr. Melnick again serving as mediators. The Parties exchanged detailed mediation statements and exhibits on the issues of liability and damages in advance of another full-day mediation session, which occurred on December 12, 2019. The mediation session ended with Judge Weinstein and Mr. Melnick presenting a mediator's recommendation that the Action be settled for \$50,000,000. The Parties accepted the mediator's proposal.

24. Based on the investigation and mediation of the case and Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

25. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Defendants have determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation. Each of the Defendants has denied and continues to deny any wrongdoing, expressly deny that Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. Defendants have asserted and continue to assert that their conduct was at all times proper and in compliance with all applicable provisions of law, and believe that the evidence developed to date supports their position that they acted properly at all times and that the Action is without merit. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit. The Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants, or any other of the Defendants' Releasees (defined in ¶ 37 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted.

26. On May 21, 2020, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

27. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons or entities who, between June 7, 2016 and November 7, 2016, inclusive, purchased or otherwise acquired ZBH Common Stock and/or Call Options, and/or wrote ZBH Put Options, and were damaged thereby.

Included in the Settlement Class are all persons or entities who purchased or otherwise acquired ZBH common stock pursuant to and/or traceable to ZBH's public offering on or around June 13, 2016 and/or ZBH's public offering on or around August 9, 2016 and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants, the PE Defendants, and the Underwriter Defendants; (ii) members of the Immediate Families of each of the Individual Defendants; (iii) the parents, subsidiaries, assigns, successors and predecessors of ZBH, the PE Defendants, and the Underwriter Defendants; (iv) any persons who served as partners, control persons, officers, and/or directors of ZBH, the PE Defendants, and the Underwriter Defendants during the Settlement Class Period and/or at any other relevant time; (v) Defendants' liability insurance carriers; (vi) any firm, trust, corporation, or other entity in which any Defendant, Underwriter Defendant or PE Defendant has or had a controlling interest; and (vii) the legal representatives, heirs, successors-in-interest or assigns of any such excluded party; *provided, however*, that any Investment Vehicle shall not be excluded from the Settlement Class. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page 26 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED OR SUBMITTED ONLINE NO LATER THAN OCTOBER 19, 2020.

WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

28. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the remaining Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. Plaintiffs and Lead Counsel recognized that Defendants had numerous avenues of attack that could preclude a recovery as to the various alleged misrepresentations and omissions. For example, they would assert that none of the alleged misstatements were materially false and misleading and that they did not make any materially misleading omissions, let alone with the requisite state of mind to support the securities

fraud claims alleged. Additionally, Plaintiffs' motion for class certification was fully briefed and pending at the time the Settlement was reached. The Court's decision on whether to certify a class could have greatly impacted Plaintiffs' and the Settlement Class's potential recovery. Plaintiffs also face challenges with respect to establishing loss causation and class-wide damages. Plaintiffs recognize that Defendants have substantial arguments that the declines in the price of ZBH Common Stock during the Settlement Class Period were not caused by revelations concerning the alleged misconduct. Had any of these arguments been accepted in whole or part, they could have eliminated or, at a minimum, dramatically limited any potential recovery. Further, Plaintiffs would have had to prevail at several stages – motion for summary judgment and trial – and if they prevailed at those stages, they would also have to prevail at the appeals that were likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

29. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class and based on their investigation, prosecution and mediation of the case, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$50,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

30. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. Accordingly, the Settlement may not be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation. In addition, the Settlement may not be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

31. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

**HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED
BY THE ACTION AND THE SETTLEMENT?**

32. As a Settlement Class Member, you are represented by Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

33. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” below.

34. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

35. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court, whether or not you submit a Claim Form. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and the other Defendants’ Releasees, and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective current and former heirs, executors, administrators, predecessors, successors, officers, directors, agents, parents, affiliates, subsidiaries, employees, attorneys, assignees and assigns in their capacities as such, will be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 36 below) (including Unknown Claims) against the Defendants and the other Defendants’ Releasees (as defined in ¶ 37 below) whether or not such Settlement Class Member executes and delivers the Proof of Claim Form, and shall forever be barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees. This Release shall not apply to any of the Excluded Claims (as that term is defined in ¶ 36 below).

36. “Released Plaintiffs’ Claims” means all claims, rights, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations, arguments and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, local, common, statutory, administrative or foreign law or any other rule or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that Plaintiffs or any other member of the Settlement Class (i) asserted in any complaint filed in this Action including the CAC, the SAC and the Operative Complaint; or (ii) could have asserted in any forum that arise out of or are related

to any of the allegations, transactions, facts, matters, events, disclosures, statements, occurrences, representations or omissions involved, set forth, or referred to in any complaint filed in this Action including the CAC, the SAC and the Operative Complaint and that relate to, directly or indirectly, the purchase or sale or other acquisition, disposition, or holding of any ZBH Securities during the Settlement Class Period. Released Plaintiffs' Claims do not include (i) any claims relating to the enforcement of the Settlement, (ii) any claims asserted in *Green v. Begley et al.*, Case No. 2019-0455-AGB (Del. Ch.); *Detectives Endowment Association Annuity Fund v. Begley et al.*, Case No. 2019-0584-AGB (Del. Ch.); consolidated case caption *In re Zimmer Biomet Holdings, Inc. Derivatives Litigation*, Consol. C.A. No 2019-0455 (Del. Ch.); *Karp v. Begley et al.*, Case No. 1:19-cv-01855-LPS (D. Del.); *DiGaudio v. Begley et al.*, Case No. 1:19-cv-01926-LPS (D. Del.); and consolidated case caption *In re Zimmer Biomet Holdings, Inc. Federal Derivative Litigation*, No. 2019-cv-01855 (D. Del.); and (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court (collectively, "Excluded Claims").

37. "Defendants' Releasees" means Defendants, PE Defendants, Underwriter Defendants, each of their respective parents, subsidiaries and affiliates, and each of their respective current and former employees, officers, directors, agents, parents, affiliates, subsidiaries, attorneys, advisors, members, partners, principals, controlling shareholders, accountants, auditors and insurers and reinsurers of each of the foregoing, in their capacities as such; and the successors, predecessors, assigns, assignees, estates, spouses, heirs, executors, trusts, trustees, administrators, and legal or personal representatives of the foregoing, in their capacities as such.

38. "Unknown Claims" means any Released Plaintiffs' Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant, Underwriter Defendant or PE Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its settlement and release, or might have affected his, her or its decision(s) with respect to this Settlement, including, but not limited to, whether or not to object to this Settlement or to the release of any Released Claims. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs, Defendants, Underwriter Defendants and PE Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs, Defendants, Underwriter Defendants and PE Defendants acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims, but the Plaintiffs, Defendants, Underwriter Defendants and PE Defendants shall expressly settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally and forever settled and released any and all

Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs, Defendants, Underwriter Defendants and PE Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Plaintiffs’ Claims and Released Defendants’ Claims was separately bargained for and a key element of the Settlement.

39. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, Underwriter Defendants and PE Defendants, on behalf of themselves, and their respective current and former heirs, executors, administrators, predecessors, successors, officers, directors, agents, parents, affiliates, subsidiaries, employees, attorneys, assignees and assigns in their capacities as such, will be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants’ Claim (as defined in ¶ 40 below) (including Unknown Claims) against Plaintiffs and the other Plaintiffs’ Releasees (as defined in ¶ 41 below), and shall forever be barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

40. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Defendants. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court; (iii) any claims arising out of or relating to the Underwriter Defendants’ rights to indemnification by the Defendants, pursuant to any agreements between the Defendants and the Underwriter Defendants, or any Underwriter Defendants’ rights pursuant to any agreements among any of the Underwriter Defendants to indemnification *inter se*; or (iv) any claims arising out of or relating to the PE Defendants’ rights to the indemnification by the Defendants, pursuant to any agreements between the Defendants and the PE Defendants.

41. “Plaintiffs’ Releasees” means Plaintiffs, Plaintiffs’ Counsel, all other plaintiffs in the Action, their respective attorneys, and any other Settlement Class Member, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

42. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked or submitted online no later than October 19, 2020**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.ZimmerBiometSecuritiesLitigation.com, or

you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-670-1171. Please retain all records of your ownership of and transactions in ZBH Securities, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

43. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

44. Pursuant to the Settlement, Defendants have agreed to cause to be paid fifty million dollars (\$50,000,000) in cash. The Settlement Amount will be deposited into an Escrow Account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (including any interest or penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority (including, but not limited to, any local, state and federal taxes) on the Settlement Fund (including any income earned by the Settlement Fund) and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the reasonable costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

45. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

46. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants’ Releasees shall not have any liability, obligation or responsibility for the administration of the Settlement (including but not limited to investment and maintenance of monies deposited into the Escrow Account), determination or payment of any Taxes, the payment of attorneys’ fees or Litigation Expenses, or providing notice to Settlement Class Members), the disbursement of the Net Settlement Fund or the plan of allocation.

47. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

48. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form **postmarked or submitted online on or before October 19, 2020** shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 36 above) against the Defendants’

Releasees (as defined in ¶ 37 above) and will forever be barred and enjoined from commencing, instituting, prosecuting or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal or administrative forum, asserting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

49. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in ZBH Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares or options that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's transactions in ZBH Securities during the Settlement Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

50. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

52. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are the ZBH Securities.

PROPOSED PLAN OF ALLOCATION

53. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged misstatements and omissions, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formulas described below ("Recognized Loss").

54. A Recognized Loss will be calculated for each share of ZBH Common Stock and Call Option purchased or otherwise acquired during the Settlement Class Period, and each ZBH Put Option sold during the Settlement Class Period. The calculation of Recognized Loss will depend upon several factors, including when the ZBH Securities were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those securities were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

55. The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the price of ZBH Common Stock was artificially inflated throughout

the Settlement Class Period. The estimated alleged artificial inflation in the price of ZBH Common Stock during the Settlement Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the price of ZBH Common Stock during the Settlement Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs.

56. The U.S. federal securities laws allow investors to seek to recover losses caused by disclosures which corrected the defendants' previous misleading statements or omissions. Thus, in order to have recoverable damages, the corrective disclosure of the allegedly misrepresented information must be the cause of the decline in the price or value of the ZBH Securities. In this Action, Plaintiffs allege that Defendants made false statements and omitted material facts during the Settlement Class Period, which had the purported effect of artificially inflating the prices of ZBH Securities. Plaintiffs further allege that corrective disclosures removed artificial inflation from the price of ZBH Securities on October 31, 2016 and November 8, 2016 (the "Corrective Disclosure Dates"). Thus, in order for a Settlement Class Member to have a Recognized Loss under the Plan of Allocation, with respect to ZBH Common Stock and Call Options, the stock or call options must have been purchased or acquired during the Settlement Class Period and held through at least one of these disclosure dates; and, with respect to ZBH Put Options, those options must have been sold (written) during the Settlement Class Period and not closed prior to at least one of these disclosure dates.

Table 1		
Artificial Inflation in ZBH Common Stock		
From	To	Per-Share Price Inflation
June 7, 2016	October 30, 2016	\$20.19
October 31, 2016	November 7, 2016	\$3.10
November 8, 2016	Thereafter	\$0.00

57. ZBH Common Stock purchased pursuant and/or traceable to the Company's June 2016 Offering⁶ or the Company's August 2016 Offering⁷ are the only securities eligible for a claim under Section 11 of the Securities Act ("Section 11"). The Recognized Loss for Common Stock with a claim under both Section 10(b) of the Exchange Act ("Section 10(b)") and Section 11 shall be the maximum of: (i) the Recognized Loss amount calculated under Section 10(b) as described below in "Calculation of Recognized Loss Per Share Under Section 10(b)"; or (ii) the Recognized Loss amount calculated under Section 11 as described below in "Calculation of Recognized Loss Per Share Under Section 11" for the respective offering. Section 11 provides for an affirmative defense of negative causation which prevents recovery for losses that Defendants prove are not attributable to misrepresentations and/or omissions alleged by Plaintiffs in the offering's

⁶ In June 2016, certain selling stockholders offered 11,116,533 shares of ZBH Common Stock at a public offering price of \$115.85 (the "June 2016 Offering"). The offering was completed on June 16, 2016. (See Zimmer Biomet, SEC Form 8-K, filed June 16, 2016.)

⁷ In August 2016, certain selling stockholders offered 7,440,675 shares of ZBH Common Stock at a public offering price of \$129.75 (the "August 2016 Offering"). The offering was completed on August 12, 2016. (See Zimmer Biomet, SEC Form 8-K, filed August 12, 2016.)

registration statement. Given Plaintiffs' Counsel's assessment of the relative risks of the Section 11 and Section 10(b) claims in this lawsuit, the Recognized Loss calculation under Section 11 assumes that the Company-specific declines in the price of ZBH Common Stock on the Corrective Disclosure Dates alleged by Plaintiffs are the only compensable losses.

58. The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss for ZBH Common Stock under Section 10(b). The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on ZBH Common Stock purchased during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the "90-Day Lookback Period") cannot exceed the difference between the purchase price paid for such stock and its average price during the 90-Day Lookback Period. The Recognized Loss on ZBH Common Stock purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such stock and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

59. In the calculations below, all purchase and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero. Any transactions in ZBH Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

60. With respect to shares of ZBH Common Stock and ZBH Call and Put Options, a Recognized Loss will be calculated as set forth below for each purchase or acquisition of ZBH Common Stock and Call Option contracts, and for each writing of ZBH Put Option contracts during the Settlement Class Period, that is listed in the Claim and Release Form and for which adequate documentation is provided.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

Calculation of Recognized Loss Per Share Under Section 10(b)

For each share of ZBH Common Stock purchased or otherwise acquired during the Settlement Class Period (*i.e.*, June 7, 2016 through November 7, 2016, inclusive), the Recognized Loss per share under Section 10(b) shall be calculated as follows:

- I. For each share of ZBH Common Stock purchased during the period June 7, 2016 through October 30, 2016, inclusive,
 - a. that was sold prior to October 31, 2016, the Recognized Loss per share is \$0.
 - b. that was sold during the period October 31, 2016 through November 7, 2016, inclusive, the Recognized Loss per share is \$17.09.
 - c. that was sold during the period November 8, 2016 through February 3, 2017, inclusive (*i.e.*, the 90-Day Lookback Period), the Recognized Loss per share is *the lesser of*:
 - i. \$20.19; or
 - ii. the purchase price *minus* the "90-Day Lookback Value" on the date of sale as provided in Table 2 below.

- d. that was sold or held after February 3, 2017, the Recognized Loss per share is *the lesser of*:
- i. \$20.19; or
 - ii. the purchase price *minus* the average closing price for ZBH Common Stock during the 90-Day Lookback Period, which is \$106.52.
- II. For each share of ZBH Common Stock purchased during the period October 31, 2016 through November 7, 2016, inclusive,
- a. that was sold prior to November 8, 2016, the Recognized Loss per share is \$0.
 - b. that was sold during the period November 8, 2016 through February 3, 2017, inclusive (*i.e.*, the 90-Day Lookback Period), the Recognized Loss per share is *the lesser of*:
 - i. \$3.10; or
 - ii. the purchase price *minus* the “90-Day Lookback Value” on the date of sale as provided in Table 2 below.
 - c. that was sold or held after February 3, 2017, the Recognized Loss per share is *the lesser of*:
 - i. \$3.10; or
 - ii. the purchase price *minus* the average closing price for ZBH Common Stock during the 90-Day Lookback Period, which is \$106.52.
- III. For each share of ZBH Common Stock purchased on or after November 8, 2016, the Recognized Loss per share is \$0.

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
11/8/2016	\$101.83	12/7/2016	\$101.33	1/6/2017	\$102.48
11/9/2016	\$101.73	12/8/2016	\$101.47	1/9/2017	\$102.59
11/10/2016	\$101.38	12/9/2016	\$101.63	1/10/2017	\$102.85
11/11/2016	\$100.54	12/12/2016	\$101.81	1/11/2017	\$103.12
11/14/2016	\$100.03	12/13/2016	\$102.00	1/12/2017	\$103.37
11/15/2016	\$100.27	12/14/2016	\$102.11	1/13/2017	\$103.63
11/16/2016	\$100.35	12/15/2016	\$102.13	1/17/2017	\$103.88
11/17/2016	\$100.41	12/16/2016	\$102.18	1/18/2017	\$104.12
11/18/2016	\$100.44	12/19/2016	\$102.21	1/19/2017	\$104.33
11/21/2016	\$100.60	12/20/2016	\$102.19	1/20/2017	\$104.52
11/22/2016	\$100.62	12/21/2016	\$102.18	1/23/2017	\$104.71
11/23/2016	\$100.65	12/22/2016	\$102.16	1/24/2017	\$104.90

Table 2					
Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value	Sale / Disposition Date	90-Day Lookback Value
11/25/2016	\$100.78	12/23/2016	\$102.16	1/25/2017	\$105.11
11/28/2016	\$100.87	12/27/2016	\$102.19	1/26/2017	\$105.30
11/29/2016	\$101.04	12/28/2016	\$102.22	1/27/2017	\$105.51
11/30/2016	\$101.09	12/29/2016	\$102.25	1/30/2017	\$105.68
12/1/2016	\$101.01	12/30/2016	\$102.28	1/31/2017	\$105.91
12/2/2016	\$100.97	1/3/2017	\$102.31	2/1/2017	\$106.12
12/5/2016	\$100.99	1/4/2017	\$102.36	2/2/2017	\$106.32
12/6/2016	\$101.17	1/5/2017	\$102.42	2/3/2017	\$106.52

Calculation of Recognized Loss Per Share Under Section 11—June 2016 Offering

For each share of ZBH Common Stock purchased pursuant and/or traceable to the Company's June 2016 Offering, the Recognized Loss per share under Section 11 shall be calculated as follows:

- I. For each share that was sold prior to October 31, 2016, the Recognized Loss per share is \$0.
- II. For each share that was sold during the period October 31, 2016 through November 7, 2016, inclusive, the Recognized Loss per share is *the lesser of*:
 - a. \$17.09; or
 - b. \$115.85 (*i.e.*, the offering price) *minus* the sale price.
- III. For each share that was sold during the period November 8, 2016 through June 15, 2017,⁸ inclusive, the Recognized Loss per share is *the lesser of*:
 - a. \$20.19; or
 - b. \$115.85 (*i.e.*, the offering price) *minus* the sale price.
- IV. For each share that was sold or held after June 15, 2017, the Recognized Loss per share is \$0.

Calculation of Recognized Loss Per Share Under Section 11—August 2016 Offering

For each share of ZBH Common Stock purchased pursuant and/or traceable to the Company's August 2016 Offering, the Recognized Loss per share under Section 11 shall be calculated as follows:

- I. For each share that was sold prior to October 31, 2016, the Recognized Loss per share is \$0.

⁸ June 16, 2017 is the date of the first complaint filed in this action that states a claim under Section 11 for the June 2016 Offering and the August 2016 Offering. The closing price for ZBH Common Stock that day was \$125.92.

- II. For each share that was sold during the period October 31, 2016 through November 7, 2016, inclusive, the Recognized Loss per share is *the lesser of*:
 - a. \$17.09; or
 - b. \$129.75 (*i.e.*, the offering price) *minus* the sale price.
- III. For each share that was sold during the period November 8, 2016 through June 15, 2017, inclusive, the Recognized Loss per share is *the lesser of*:
 - a. \$20.19; or
 - b. \$129.75 (*i.e.*, the offering price) *minus* the sale price.
- IV. For each share that was sold or held after June 15, 2017, the Recognized Loss per share is \$3.83.⁹

ZBH Call Option Recognized Loss Calculations¹⁰

For each ZBH Call Option purchased or otherwise acquired during the Settlement Class Period, the Recognized Loss per Call Option shall be calculated as follows:

- I. For each Call Option not held at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss per Call Option is \$0.00.
- II. For each Call Option held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
 - a. that was subsequently sold during the Settlement Class Period, the Recognized Loss per Call Option is the purchase price *minus* the sale price.
 - b. that was subsequently exercised during the Settlement Class Period, the Recognized Loss per Call Option is the purchase price *minus* the intrinsic value of the option on the date of exercise, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the closing price of ZBH Common Stock on the date of exercise *minus* the strike price of the option.
 - c. that expired unexercised during the Settlement Class Period, the Recognized Loss per Call Option is equal to the purchase price.
 - d. that was still held as of the opening of trading November 8, 2016, the Recognized Loss per Call Option is the purchase price *minus* the intrinsic value of the option as of the close of trading on November 8, 2016, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) \$101.83¹¹ *minus* the strike price of the option.

⁹ \$3.83 is the difference between the offering price and the closing price of ZBH Common Stock on June 16, 2017 (*i.e.*, \$129.75 minus \$125.92).

¹⁰ Exchange-traded options are traded in units called “contracts,” which entitle the holder to buy (in the case of a call) or sell (in the case of a put) 100 shares of the underlying security, which in this case is ZBH Common Stock.

¹¹ \$101.83 is the closing price of ZBH Common Stock on November 8, 2016.

No Recognized Loss shall be calculated based upon purchase or acquisition of any ZBH Call Option that had been previously sold or written.

ZBH Put Option Recognized Loss Calculations

For each ZBH Put Option sold during the Settlement Class Period, the Recognized Loss per Put Option shall be calculated as follows:

- I. For each Put Option not open (*i.e.*, not outstanding) at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss per Put Option is \$0.00.
- II. For each Put Option open (*i.e.*, outstanding) at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
 - a. that was subsequently purchased during the Settlement Class Period, the Recognized Loss per Put Option is the purchase price *minus* the sale price.
 - b. that was subsequently exercised (*i.e.*, assigned) during the Settlement Class Period, the Recognized Loss per Put Option is the intrinsic value of the Put Option on the date of exercise *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* the closing price of ZBH Common Stock on the date of exercise.
 - c. that expired unexercised during the Settlement Class Period, the Recognized Loss per Put Option \$0.00.
 - d. that was still open (*i.e.*, outstanding) as of the opening of trading November 8, 2016, the Recognized Loss per Put Option is the intrinsic value of the option as of the close of trading on November 8, 2016 *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$101.83.

No Recognized Loss shall be calculated based upon the sale or writing of any ZBH Put Option that had been previously purchased or acquired.

61. **Maximum Recovery for Options:** The Settlement proceeds available for ZBH Call Options purchased during the Settlement Class Period and ZBH Put Options sold (written) during the Settlement Class Period shall be limited to a total amount equal to 0.5% of the Net Settlement Fund.¹² Thus, if the cumulative Recognized Loss amounts for Call and Put Option claims exceeds 0.5% of all Recognized Losses, then the Recognized Loss for Call and Put Option claims will be reduced proportionately until they collectively equal 0.5% of all Recognized Losses. In the unlikely event that the Net Settlement Fund, allocated as such, is sufficient to pay 100% of the Common Stock claims, any excess amount will be used to pay the balance on the remaining Call and Put Option claims. Likewise, if the Net Settlement Fund, allocated as such, is sufficient to pay 100% of the Call Option and Put Option claims, any excess amount will be used to pay the balance on the remaining Common Stock claims.

¹² ZBH Call and Put Option trading accounted for less than 0.5% of total dollar trading volume for ZBH Securities during the Settlement Class Period. As such, claims for ZBH Call and Put Option transactions are allotted 0.5% of the Settlement pursuant to the Plan of Allocation.

ADDITIONAL PROVISIONS

62. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" under the Plan of Allocation will be the sum of his, her or its Recognized Loss amounts as calculated above with respect to all ZBH Securities.

63. **FIFO Matching:** If a Settlement Class Member made more than one purchase/acquisition or sale of any ZBH Security during the Settlement Class Period, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out ("FIFO") basis. With respect to ZBH Common Stock and Call Options, Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period. For ZBH Put Options, Settlement Class Period purchases will be matched first to close out positions open at the beginning of the Settlement Class Period, and then against ZBH Put Options sold (written) during the Settlement Class Period in chronological order.

64. **"Purchase/Sale" Dates:** Purchases or acquisitions and sales of ZBH Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of ZBH Securities during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of these ZBH Securities for the calculation of a Claimant's Recognized Loss, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such ZBH Securities unless (i) the donor or decedent purchased or otherwise acquired such ZBH Securities during the Settlement Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such ZBH Securities.

65. **Short Sales:** With respect to ZBH Common Stock, the date of covering a "short sale" is deemed to be the date of purchase or acquisition of the stock. The date of a "short sale" is deemed to be the date of sale of the ZBH Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss on "short sales" is zero.

66. In the event that a Claimant has an opening short position in ZBH Common Stock, the earliest purchases or acquisitions of ZBH Common Stock during the Settlement Class Period shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

67. If a Settlement Class Member has "written" ZBH Call Options, thereby having a short position in the Call Options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the Call Option. The date on which the ZBH Call Option was written is deemed to be the date of sale of the Call Option. In accordance with the Plan of Allocation, however, the Recognized Loss on "written" ZBH Call Options is zero. In the event that a Claimant has an opening written position in ZBH Call Options, the earliest purchases or acquisitions of like Call Options during the Settlement Class Period shall be matched against such opening written position, and not be entitled to a recovery, until that written position is fully covered.

68. If a Settlement Class Member has purchased or acquired ZBH Put Options, thereby having a long position in the Put Options, the date of purchase/acquisition is deemed to be the date of purchase/acquisition of the Put Option. The date on which the ZBH Put Option was sold,

exercised, or expired is deemed to be the date of sale of the Put Option. In accordance with the Plan of Allocation, however, the Recognized Loss on purchased/acquired Put Options is zero. In the event that a Claimant has an opening long position in ZBH Put Options, the earliest sales or dispositions of like Put Options during the Settlement Class Period shall be matched against such opening position, and not be entitled to a recovery, until that long position is fully covered.

69. Common Stock Purchased/Sold Through the Exercise of Options: With respect to ZBH Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the stock is the exercise date of the option and the purchase/sale price of the stock is the closing price of ZBH Common Stock on the exercise date. Any Recognized Loss arising from purchases of ZBH Common Stock acquired during the Settlement Class Period through the exercise of an option on ZBH Common Stock shall be computed as provided for other purchases of ZBH Common Stock in the Plan of Allocation.

70. Market Gains and Losses: With respect to all ZBH Common Stock and Call Options purchased or acquired or ZBH Put Options sold during the Settlement Class Period, the Claims Administrator will determine if the Claimant had a Market Gain or a Market Loss with respect to his, her or its overall transactions during the Settlement Class Period in those shares and options. For purposes of making this calculation, with respect to ZBH Common Stock and Call Options, the Claims Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount¹³ and (ii) the sum of the Claimant's Sales Proceeds¹⁴ and the Claimant's Holding Value.¹⁵ For ZBH Common Stock and Call Options, if the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain. With respect to ZBH Put Options, the Claims Administrator shall determine the difference between (i) the sum of the Claimant's Total Purchase Amount¹⁶ and the

¹³ For ZBH Common Stock and Call Options, the "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all such ZBH securities purchased or acquired during the Settlement Class Period.

¹⁴ For ZBH Common Stock and Call Options, the Claims Administrator shall match any sales of such ZBH securities during the Settlement Class Period first against the Claimant's opening position in the like ZBH securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining like ZBH securities sold during the Settlement Class Period is the "Sales Proceeds."

¹⁵ The Claims Administrator shall ascribe a "Holding Value" of \$101.83 to each share of ZBH Common Stock purchased or acquired during the Settlement Class Period that was still held as of the close of trading on November 7, 2016. For each ZBH Call Option purchased or acquired during the Settlement Class Period that was still held as of the close of trading on November 7, 2016, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be *the greater of*: (i) \$0.00 or (ii) \$101.83 minus the strike price of the option.

¹⁶ For ZBH Put Options, the Claims Administrator shall match any purchases during the Settlement Class Period to close out positions in ZBH Put Options first against the Claimant's opening position in ZBH Put Options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Settlement Class Period to close out positions in Put Options is the "Total Purchase Amount."

Claimant's Holding Value;¹⁷ and (ii) the Claimant's Sale Proceeds.¹⁸ For ZBH Put Options, if the sum of the Claimant's Total Purchase Amount and the Claimant's Holding Value *minus* the Claimant's Sales Proceeds is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

71. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in ZBH Securities during the Settlement Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in ZBH Securities during the Settlement Class Period but that Market Loss was less than the Claimant's Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

72. Determination of Distribution Amount: If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

73. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

74. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation (*i.e.*, the Recognized Claim will be deemed to be zero) and no distribution will be made to that Authorized Claimant. Any prorated amounts of less than \$10.00 will be included in the pool distributed to those whose prorated payments are \$10.00 or greater.

75. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the

¹⁷ For each ZBH Put Option sold (written) during the Settlement Class Period that was still outstanding as of the close of trading on November 7, 2016, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$101.83.

¹⁸ For ZBH Put Options, the total amount received for put options sold (written) during the Settlement Class Period is the "Sales Proceeds."

deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

76. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

77. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.ZimmerBiometSecuritiesLitigation.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

78. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33 ⅓% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$1,900,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

79. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Shah et al. v. Zimmer Biomet Holdings, Inc. et al.*, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91367, Seattle, WA

98111. The exclusion request must be **received no later than August 13, 2020**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity “requests exclusion from the Settlement Class in *Shah et al. v. Zimmer Biomet Holdings, Inc. et al.*, Case No. 3:16-CV-00815”; (c) identify and state the number of shares of ZBH Common Stock, Call Options, and/or ZBH Put Options that the person or entity requesting exclusion purchased/acquired and/or sold during the Settlement Class Period (*i.e.*, between June 7, 2016 and November 7, 2016, inclusive), as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

80. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Releasees.

81. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

82. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?

83. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

84. The Settlement Hearing will be held on **September 3, 2020 at 1:00 p.m.**, before the Honorable Philip P. Simon at the United States District Court for the Northern District of Indiana, United States Courthouse, Courtroom 4, 5400 Federal Plaza, Hammond, IN 46320. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

85. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Northern District of Indiana at the address set forth below on or before August 13, 2020. You must also serve the papers on Lead

Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are *received on or before August 13, 2020*.

Clerk's Office	Lead Counsel	Defendants' Counsel
United States District Court Northern District of Indiana Clerk of the Court United States Courthouse 5400 Federal Plaza Suite 4400 Hammond, IN 46320	Glancy Prongay & Murray LLP Kara M. Wolke, Esq. 1925 Century Park East, Suite 2100 Los Angeles, CA 90067 Email: kwolke@glancylaw.com	Morgan Lewis & Bockius LLP Troy S. Brown, Esq. 1701 Market Street Philadelphia, PA 19103 Email: troy.brown@morganlewis.com

86. Any objection:

- (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector;
- (b) must clearly identify the case name and number (*Shah et al. v. Zimmer Biomet Holdings, Inc. et al.*, Case No. 3:16-CV-00815);
- (c) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and
- (d) must include documents sufficient to prove the objector's membership in the Settlement Class, including the number of shares of ZBH Common Stock, Call Options, and/or Put Options that the objecting Settlement Class Member purchased, acquired and sold during the Settlement Class Period (*i.e.*, between June 7, 2016 and November 7, 2016, inclusive), as well as the dates and prices of each such purchase/acquisition and sale.

87. You may not object to the Settlement, the Plan of Allocation or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

88. If you object to the Settlement or the request for attorneys' fees and/or reimbursement of Litigation Expenses, you subject yourself to the jurisdiction of the District Court in this matter and consent to being deposed in your district of residence and producing in advance of a deposition any responsive documents to a discovery request prior to the Settlement Hearing.

89. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

90. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement

of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is **received on or before August 13, 2020**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

91. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 85 above so that the notice is **received on or before August 13, 2020**.

92. The Settlement Hearing may be adjourned by the Court, or held telephonically, without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date, time and location on the settlement website, www.ZimmerBiometSecuritiesLitigation.com, given potential changes as a result of the COVID-19 pandemic.

93. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

94. If you purchased or otherwise acquired any of the ZBH Securities between June 7, 2016 and November 7, 2016, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Shah et al. v. Zimmer Biomet Holdings, Inc. et al.*, c/o JND Legal Administration, P.O. Box 91367, Seattle, WA 98111. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, up to a maximum of \$0.50 per Notice Packet mailed; \$0.05 per Notice Packet transmitted by email; or \$0.10 per name, mailing address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.ZimmerBiometSecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-888-670-1171.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Northern District of Indiana, United States Courthouse, 5400 Federal Plaza, Hammond, IN 46320. Please visit the Court's website at <https://www.innd.uscourts.gov/> or call the Clerk's Office at (260) 423-3000 to determine whether the Court is open due to the exigent circumstances created by COVID-19 and Related Coronavirus. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.ZimmerBiometSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

<i>Shah et al. v.</i>	and/or	Kara M. Wolke, Esq.
<i>Zimmer Biomet Holdings, Inc. et al.</i>		GLANCY PRONGAY &
c/o JND Legal Administration		MURRAY LLP
P.O. Box 91367		1925 Century Park East, Suite 2100
Seattle, WA 98111		Los Angeles, CA 90067
888-670-1171		(888) 773-9224
www.ZimmerBiometSecuritiesLitigation.com		settlements@glancylaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE
CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL
REGARDING THIS NOTICE.**

Dated: May 21, 2020

By Order of the Court
United States District Court
Northern District of Indiana